

RBS
UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF PENNSYLVANIA

808

UNITED STATES OF AMERICA, : Criminal Action 05-440
: :
: Philadelphia, PA
v. : February 8, 2008
: 9:30 a.m.
: :
ALTON COLES, et al., :
: **FILED**
Defendant. :

APR 21 2008

MICHAEL J. BRESNICK, Clerk
By: [Signature] Dep. Clerk
TRANSCRIPT OF TESTIMONY OF RAYMOND ARMSTRONG
BEFORE THE HONORABLE R. BARCLAY SURRICK
UNITED STATES DISTRICT JUDGE

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I N D E XWITNESSESDIRECTCROSSREDIRECTRECROSSFOR THE GOVERNMENT

RAYMOND ARMSTRONG

4

57 (War)

115

117 (McM)

81 (McM)

101 (Pow)

105 (Smi)

111 (Het)

EXHIBITSIDENTEVID

G-750E Chart

11

G-750C Chart

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1 (The following is excerpted portion of proceeding;
2 testimony of Gary Armstrong, at 9:30:06 a.m.;
3 jury present)

4 GARY ARMSTRONG, PREVIOUSLY SWORN

5 CONTINUED DIRECT EXAMINATION

6 BY MR. LLORET:

7 Q. Agent Armstrong, yesterday we were discussing some of the
8 last deposits that occurred in or about July 28th and 29th of
9 2005 with regard to the Dillion's Lane transactions. Do you
10 recall that?

11 A. Yes, I do.

12 Q. Now you mentioned that you had prepared a summary of
13 those last few deposits on the 28th and the 29th, and is that
14 a document that was tab number 750A?

15 MR. LLORET: And if we could show that to the
16 witness.

17 A. I have it, yes, that's correct.

18 Q. Okay.

19 MR. LLORET: Thank you, ma'am. And Ms. Horay, if we
20 could show Exhibit number 750A on the screen.

21 Q. Agent, is this the summary that you were speaking of?

22 A. Yes, it is.

23 MR. LLORET: Now, Your Honor, that has been
24 previously stipulated into evidence, and we can show it to the
25 jury.

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1 THE COURT: You can show it to the jury if counsel
2 have agreed.

3 MR. WARREN: That's correct.

4 THE COURT: Go ahead.

5 MR. LLORET: Thank you, Your Honor.

6 BY MR. LLORET:

7 Q. Mr. Armstrong, if you could -- and Agent Horay -- I'm
8 sorry, Agent Armstrong, if you could just tell us briefly,
9 what was your methodology in preparing this chart?

10 A. I would review the bank documents, specifically the
11 deposit slips or other records that banks maintain of
12 deposits, determined, determined what kind of deposits they
13 were, what account they went into, and then further determine
14 where the location of the branches that the actual deposit
15 took place was.

16 Q. All right.

17 MR. LLORET: And Agent Horay, if we could blow the
18 written portion of the chart up so that we could take a look
19 at it.

20 Q. And Agent Armstrong, could you just go through these with
21 us and tell us what information you gleaned from the records
22 with respect to each of the deposits?

23 A. Yes. I looked at a deposit on 7/28 at 3:24 at the
24 Citizens Bank at 2497 Aramingo Avenue in Philadelphia, and a
25 deposit of \$9700 was placed into the Take Down Limited account

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1 at Citizens.

2 On July 29th, at 12:08 p.m., at the PNC Bank located at
3 401 West Haver Road in Philadelphia, a 98 -- excuse me --
4 \$9800 deposit was placed into the account of Asya Richardson
5 and Alton Coles.

6 Also on that day, 7/29, at 1:12 at the Citizens Bank, at
7 2900 Island Avenue in Philadelphia, there was a \$9,140 cash
8 deposit into the Take Down Limited account at Citizens, at
9 Citizens Bank.

10 That same day, the 29th at 1:48, approximately a half-
11 hour later, there was a currency deposit into the Citizens
12 Bank account at 2900 Island Avenue in Philadelphia of \$9200
13 into the account of Alton Coles.

14 Again the same day, the 29th, at 3:33, there was a
15 deposit into the -- taking place at the PNC branch at 104
16 North White Horse Pike, Stratford, New Jersey of \$9200 and
17 that deposit was placed into the account of Asya Richardson
18 and Alton Coles.

19 And also -- and that's an error on the chart, it says
20 9/29, that should be 7/29/05, same day as all the other
21 deposits.

22 At 4:01 p.m., at the Wachovia -- the Wachovia branch at 9
23 South White Horse Pike in Stratford, New Jersey, a \$6,160
24 deposit was placed into the account of Naseem Coles. And that
25 last deposit of \$6,160, those were actually two deposits, one

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1 very large in terms of the total deposit of \$5900 and one of
2 \$160 or something. They happened right after each other in
3 time so I just combined them for the purposes of this chart.

4 Q. And referring back --

5 MR. LLORET: Agent Horay, if we could put number
6 750D back on the screen.

7 Q. Referring back to that last item you mentioned, is that
8 on the lower right hand part of this particular chart?

9 A. That's correct. The two, the two deposits being made
10 into that Wachovia account on this chart just appear as one
11 deposit.

12 Q. And when you're saying this chart, you're referring to
13 number 750A?

14 A. Yes, that's correct, I'm sorry.

15 MR. LLORET: Agent Horay, if we could just blow up
16 briefly that Wachovia item on the bottom right.

17 Q. Those two deposits there were accumulated by you in
18 making the summary chart, 750A, the last item?

19 A. That's correct.

20 MR. LLORET: If we could go back to 750A for just a
21 moment now. And if we could blow up the written portion
22 again.

23 Q. Agent, just for the benefit of those of us that don't
24 necessarily know the geography of Philadelphia and its
25 immediate environment that well, can you give us a brief idea

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1 of where the various addresses are of these particular banks?

2 A. Yes. The Aramingo Avenue branch is in the Fishtown
3 section of Philadelphia which would be somewhat north of
4 Center City and east towards the Delaware River.

5 401 West Haver Road is in the Olney section, Olney-Logan
6 section of the city. That would be -- that's also lowest
7 Northeast, lower Northeast part geographically speaking of the
8 city. The largest major intersection there would be Broad and
9 Olney, about approximately a half mile away from there.

10 Q. Is Broad and Olney near the 1400 block of Clearview?

11 A. No. Clearview I believe -- I'm not totally sure of the
12 top of my head where Clearview is but I believe it's south.

13 Q. I see. Okay, and then the next item is the 2900 Island
14 Avenue?

15 A. Yes. 2900 Island Avenue is in the southwest portion of
16 the city.

17 Q. All right. And obviously the New Jersey items appear to
18 be in the town called Stratford?

19 A. That's correct.

20 Q. And do you know approximately where Stratford is?

21 A. Yes. Stratford is in South Jersey, kind of in the Berlin
22 area, basically. Major intersections that I would consider
23 would be the intersection of Routes 73 and 30 which is Berlin,
24 but that's -- that's kind of about it.

25 Q. All right.

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1 A. And that also is close to the location where settlement
2 took place.

3 Q. I see, okay. Now, Agent, with respect to these
4 transactions and those depicted on this particular chart, in
5 your experience, and based only on your experience, are these
6 significant with respect to structuring?

7 A. Yes, they are significant in respect to structuring.
8 They are consistent with structuring activity.

9 Q. All right. And why is that?

10 A. There are multiple -- multiple cash deposits being made
11 in a single day, accumulating over \$10,000. There are
12 multiple deposits into the same bank account on the same day,
13 accumulating over \$10,000. There is the use of -- there's the
14 use of three different banks, utilizing five different branch
15 locations of those banks. The amounts -- the amounts of the
16 deposits are also consistent with structuring. Most of the
17 deposits are just under the currency reporting requirement
18 amount.

19 Q. Which is?

20 A. Which is \$10,000.

21 Q. All right. Now, with respect to your experience in terms
22 of -- let's set aside structuring for a moment and turn to
23 money laundering generally, are these deposits significant
24 based on your experience?

25 A. Yes, they are.

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1 Q. And how so?

2 A. In terms of money laundering, if we're dealing with funds
3 which are gotten illegally, which were gained illegally, there
4 -- there -- the filing of a currency transaction report would
5 be -- would be a red flag on the individual file -- on the
6 individual who made the deposits.

7 Q. Is it in your experience common to find money laundering
8 schemes that utilize structuring as part of the process?

9 A. Yes, it is.

10 Q. All right. And are the items that you've investigated in
11 the past, are some of them or many of them familiar to you and
12 reminiscent of this particular set of transactions?

13 A. Yes, it is, and they are.

14 Q. All right. Okay. Let me just turn to another
15 transaction. Sir, did you have occasion with respect to your
16 investigation to examine documents that related to a -- an
17 event at the Spectrum?

18 A. Yes, I did.

19 Q. What steps did you take, if you can tell us briefly, and
20 what were you looking at?

21 A. Steps I took reviewed the -- reviewed the documents that
22 were obtained in the search warrant. I had a preexisting
23 knowledge that there was an event before I -- at the Spectrum,
24 before I saw any of the documents. Subpoenaed -- subpoenaed
25 the Spectrum, subpoenaed various companies that I found were

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1 associated and provided some service to that event, and
2 located what I believe are most or if not all of the records
3 that are associated with it.

4 Q. All right. Did you prepare a summary chart with respect
5 to that particular event?

6 A. Yes, I did.

7 Q. And is that chart number 750E? And consulting your book,
8 do I have the right chart, 750E?

9 A. Yes.

10 Q. All right.

11 MR. LLORET: Your Honor, this again has been
12 stipulated into evidence, but Agent Horay, if you can show us
13 number 750E.

14 MR. WARREN: That's correct, sir.

15 THE COURT: All right. It may be admitted and shown
16 to the jury.

17 (Exhibit 750E admitted into evidence)

18 BY MR. LLORET:

19 Q. Agent, if you can just give us an overview of this chart,
20 what was your -- what does it do, sort of generally speaking,
21 so we can understand the flow of the chart, and then we'll go
22 into the particulars?

23 A. Okay. And I should say the Spectrum event was in terms
24 of my investigation, or what I was looking at, extremely
25 significant and relevant, given that it took place in April of

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1 2002, approximately the time that Take Down was born, for lack
2 of a better term.

3 Q. Can you tell us, did part of your documents that you
4 reviewed, did you have occasion to look at certificates of
5 incorporation with respect to Take Down?

6 A. Certificates of incorporation, the opening documents for
7 the various Take Down bank accounts. Many of them were opened
8 right in and around this time.

9 Q. And with respect to the certificate of incorporation, did
10 that happen at or about this time, or slightly before April
11 5th of 2002?

12 A. Slightly before.

13 Q. Okay. Within a matter of months or was it a year?

14 A. A matter of months. It may have been January of '02, if
15 not December of '01.

16 Q. All right. Can you tell us first sort of the methodology
17 of the chart, what's shown first, what's shown second, and
18 then we'll go through the detail?

19 A. Yes. The chart is, is divided into two major sections,
20 labeled revenue and expenses. Revenue is the funds that were
21 received from the concert. The expenses are things -- are
22 exactly that, expenses, costs associated with putting the
23 concert on. And those are just netted against each other to
24 see what the concert actually did, whether it made a profit,
25 whether it ran at a loss.

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1 Q. All right. Can you tell us first the revenue figures?

2 MR. LLORET: And Agent Horay, if we can blow up the
3 top of the document now where it's -- that's fine.

4 Q. Okay, Agent, if you can explain to us, what's depicted on
5 the chart and what's the basis of the items that are on the
6 chart?

7 A. Yes. Under the revenue section, these are the concert
8 proceeds, and it details two Spectrum checks that were issued
9 relative to this concert, both in an identical amount,
10 \$71,221.99. One check was issued to Take Down, the second
11 check was issued to Get That Dough, which was Take Down's 50-
12 percent partner in this concert. Get That Dough is the
13 company of Michelle Brown.

14 Q. All right. So these two checks are totaled then by you?

15 A. Yes. They total to \$142,443.98.

16 Q. And this is from information received from the Spectrum?

17 A. Yes, that's correct, from the -- from Spectrum records,
18 from also records received in -- records seized in the search
19 warrant.

20 Q. Okay. And particularly, you looked in some detail at
21 records seized during the search warrant of the Springfield
22 Avenue location?

23 A. Yes.

24 Q. Okay, as well as others, but that was the particular
25 interest to you, is that right?

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1 A. That's correct.

2 Q. Why were those documents of particular interest to you?

3 A. Going in, I didn't realize they would be, but the
4 Springfield Avenue address, which was generally referred to as
5 the studio, that is where the majority of the business records
6 were found.

7 Q. All right. Then going down the chart --

8 MR. LLORET: And Agent, Horay if you can --

9 Q. -- you then list expenses, is that right?

10 A. I then list expenses, and sort of categorize them
11 roughly.

12 MR. LLORET: And Agent Horay, if you can go back to
13 the -- there we go. Okay, that's fine, thank you.

14 Q. And Agent Armstrong, you were explaining, go ahead.

15 A. No, I'm sorry.

16 Q. Now, the expenses listed -- if you could just sort of go
17 through these expenses and give us an idea where you derived
18 these figures from, what sort of documents you were examining
19 and where you got the documents from.

20 A. Sure. The legal fees that are noted, this was gleaned
21 from documents obtained in the search warrant.

22 Q. At Springfield?

23 A. At Springfield.

24 Q. All right.

25 A. The deposits to Spectrum -- and those are funds that the

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1 Spectrum -- Spectrum had to have in hand or demanded to have
2 before they would allow the concert to proceed. And that was
3 gleaned from Spectrum documents, search warrant documents, as
4 well as bank subpoenaed documents.

5 Q. All right. The equipment rentals information?

6 A. The equipment rentals, the Armonds information, is from
7 search warrant documents that was found at Springfield.

8 Quintessence Multimedia documents were from -- were those
9 -- that figure is derived from documents found at Springfield,
10 as well as business records of Quintessence Multimedia.

11 The advertising section, South Street Embroidery, those
12 documents came from the search warrant at Springfield.

13 WPHL-TV 17 came both from Springfield search warrant
14 documents and business records of WPHL.

15 WUSL-FM, which is Power 99, those are documents that were
16 seized in the search warrant. Power 99 documents as well as
17 documents maintained by the account executive who was in
18 charge of the Take Down account.

19 WPHI documents, those were again search warrant documents
20 as well as the business records of WPHI.

21 Q. Generally speaking, in terms of examining expenses and
22 examining documents taken from the Springfield location, was
23 it relatively easy to access these documents or were they in
24 the state of disarray or can you characterize that at all?

25 A. They were in a state of disarray. They were not -- they

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1 were not filed, they were not indexed. They were just -- they
2 were just -- it would appear when I saw them, there seemed to
3 be no order, no function to them.

4 Q. But obviously you received them from Agent Ricko at the
5 ATF?

6 A. That's correct.

7 Q. After they had been taken?

8 A. Right.

9 Q. Okay. With respect to the various, appear to be TV or
10 radio stations, we're talking about advertising, and I think
11 everyone can understand that. Do you have -- was there any
12 indication in the documents about South Street Embroidery and
13 what the effect of that was, what was going on there?

14 A. South Street Embroidery was -- was for posters, charts,
15 fliers, things of that nature.

16 Q. And these were all devoted to the particular event of
17 April 5th, 2002?

18 A. Yes. When I was reviewing all the documents and looking
19 for Spectrum related documents, I only included as expenses
20 those documents which clearly either stated for -- you know
21 for Hip-Hop Explosion or for Spectrum, or for which I had
22 other documents in hand that allowed me to know that this was
23 for the Spectrum. There were many other expenses, many -- a
24 whole lot of -- much other money being spent at this time from
25 documents we received from Springfield that could not

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1 specifically attach to the Spectrum event so I did not include
2 that.

3 Q. I see. Now, with respect to the performers items, if you
4 could go through those and identify what your methodology was
5 with respect to them?

6 A. Yes. The performers, WUSL-FM personalities -- that is
7 again Power 99 and those were -- those were Power 99 people
8 who were there to facilitate the concert, and that was -- that
9 was what Power 99 charged them for that. That comes -- that
10 comes from search warrant documents as well as -- as well as
11 retained records of the account executive at Power 99.

12 Dream 2 Dancers (phonetic), those were documents that
13 were seized at the search warrant at Springfield.

14 Little Mo was one of the performers at the concert. That
15 information comes from, comes from Power 99 account executive
16 documents. Also documents of this performer's booking agent,
17 Big Bloc Entertainment where these records were obtained.

18 Sharissa is similar to Little Mo. Again, Power 99
19 account executive documents, documents of Big Bloc
20 Entertainment who also is the booking agent for Sharissa. And
21 these documents were contracts.

22 Q. I see.

23 A. The Beanie Sigel et al. is again a contract for the
24 performance of Beanie Sigel and four or five others. And that
25 again was in the form of a contract, a contract maintained by

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1 the Power 99 account executive, as well as there were -- as
2 well as information found in the search warrant.

3 Q. Now if we can go back to the charge in total, the total
4 revenues, Agent, that you found were how much?

5 MR. LLORET: And if we could box that. Thank you.

6 A. That's 142,443.98.

7 Q. And the total expenses figure?

8 A. Is not actually totaled.

9 Q. I see.

10 A. They're totaled by category.

11 Q. I see. Well, if you could go through the categories and
12 then give us the bottom line so to speak?

13 A. Sure. The legal fee expenses \$6,301.30, the deposits to
14 the Spectrum \$57,576.50, equipment rentals \$21,760,
15 advertising \$16,425, and performers \$63,500. Netting out that
16 shows a loss of 23,118.82 when the concern -- and again, that
17 was -- the concert was of interest to me because among other
18 things, all the expenses happened before any revenue. All
19 these expenses were made before Take Down received their
20 check. They received their check after the concert, so all of
21 these expenses are roughly -- of approximately \$165,000, were
22 not made with any funds that were generated by Take Down.

23 Q. I see. Now, did you also have occasion, Agent, to
24 examine records that pertain to the sale of DVD's and CD's in
25 connection with your investigation?

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1 A. Yes, I did.

2 Q. And did you prepare a chart with regard to that?

3 A. Yes, I did.

4 Q. Is that number 750C, do I have that correct?

5 A. Yes.

6 MR. LLORET: Okay, and if we could, Agent Horay, put
7 on number 750C. Again, Your Honor, by stipulation.

8 MR. WARREN: Correct, Judge.

9 (Exhibit 750C admitted into evidence)

10 BY MR. LLORET:

11 Q. And Agent Armstrong, are we looking now on the screen at
12 chart number 750C?

13 A. Yes, we are.

14 Q. Okay. First, can you tell us your methodology in making
15 this chart?

16 A. Yes. Initially just reviewing search warrant documents,
17 finding some information concerning -- concerning DVD's, the
18 making of DVD's, CD's, DVD's, using that as a starting point,
19 looking for -- looking for further information. Was able to
20 locate several companies which had been involved in that,
21 subpoenaed those documents from those companies which on
22 occasion led to additional records and additional companies
23 being subpoenaed.

24 I also did an internet search for the various names of
25 the CD's and the DVD's that I was aware that Take Down had

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1 produced. Received some hits on the internet and subpoenaed
2 those companies and received their documents relative to their
3 dealings with the Take Down Records.

4 Q. Okay. Just stepping back for a moment, Agent, you
5 examined the Spectrum episode, you've examined also the sales
6 of DVD's and CD's. What was your purpose in making these
7 examinations of expenses and income of the business?

8 A. Well, specifically looking at the business expenses, I
9 was looking to determine what the viability of this business
10 is, whether it is a business that is making money or if it's a
11 business that is losing money, and if it's losing money, where
12 in fact is the money coming from that's being used.

13 Q. And from an investigatory standpoint, why was that of
14 interest to you to determine whether it was a viable business
15 on its own right?

16 A. Within the context of the investigation, and in the
17 context of -- in a money laundering context, the use of a
18 business to put money into a place -- money gained illegally
19 into a business, is very common. The intent is to make it
20 appear that all these funds are legitimate business proceeds.

21 Q. Now, Agent, obviously, and we've said this before, but
22 this is based on your experience?

23 A. Based on my experience, yes.

24 Q. Okay. And so from your standpoint, why was it
25 significant to examine the profitability or not of this

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1 business?

2 A. Well, to just give an example, a hypothetical example.
3 If there's a business which is suspected to be involved in
4 money laundering activity, and there are -- there is a million
5 dollars in currency deposits into that business, and on -- and
6 in looking at the business we determine that the actual
7 business activity, the thing that the business is supposed to
8 be doing only generates \$100,000 in deposits for that year or
9 an income for that year, then there is in this example
10 \$900,000 of unsourced money. And we would then look to tempt
11 to find where that unsourced money came from. In the context
12 of a drug money laundering investigation, we're looking to see
13 -- to see who put that money into the business.

14 Q. All right. Let's then look again -- this chart is for
15 the purposes of examining the revenue and expenses from sales
16 of DVD's and CD's, is that right?

17 A. That's correct.

18 Q. Okay. If you can tell us, going through the chart from
19 top to bottom, what's the first general area or identified
20 area of revenue?

21 A. That is the first area of -- the chart is again basically
22 a two-part chart, revenue and expenses. The revenues are
23 broken down by category, just what seemed to me to be somewhat
24 logical categories of funds that were coming in to Take Down.

25 Q. These were drawn from what sources generally? And I

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1 think you've given some idea so we don't need to be long about
2 it, but.

3 A. Yes, well, the chart is broken down into -- the sections
4 are broken down into actually where the information came from.
5 This --

6 Q. All right, I think -- thank you.

7 So going from the advances part, what is that?

8 A. Advances -- Ruffnation Films is a business which entered
9 into an agreement with Take Down to market the Menace DVD.
10 And as part of that agreement, they paid Take Down a \$12,500
11 advance against future earnings. And that is that \$12,500
12 there.

13 Q. All right. And then going down the list, Take Down
14 documents from search warrant. Is that -- these are documents
15 that you found or that you reviewed that were taken during the
16 search warrant?

17 A. That's correct.

18 Q. Okay.

19 A. The first document, consignment list, and that's how it's
20 titled on the document, is a listing of various people, record
21 stores which had taken, which had taken either DVD's, CD's or
22 vinyl records on consignment from Take Down.

23 The second item on that list, consignment sheet, is a
24 different piece of paper which is entitled consignment sheet
25 which says -- which is the same thing. It shows various

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1 people and businesses which received DVD's, CD's from Take
2 Down, and it details what number of DVD's, CD's were sent on
3 consignment and at what cost Take Down would get if they were
4 sold.

5 Q. Let me ask you, were you able to determine whether these
6 things were sold -- they're sent out on consignment, is that
7 right, based on the document?

8 A. Yes, they're sent on consignment. At some point there is
9 some information about whether or not these documents -- any
10 of these items became sold. But for just -- but it's not
11 complete.

12 What I did on this chart is I took everything that went
13 out on consignment and just assumed it was sold.

14 Q. Okay. Going down then to the next item, there's a Hub-
15 Servall Inc. album list?

16 A. Yes, this is again -- and that is the title of the
17 document that I looked at, Streets Inc. album list, and it
18 lists a series of -- I believe this one is typically
19 individuals and dollar amounts from the album list, and that's
20 the figure that it adds up to.

21 Vinyl/CD sales, there was a document entitled sales.
22 Actually I believe it was specifically paid sales. And from
23 that document I took that figure. There were several entries
24 on that figure, again, businesses -- businesses, individuals
25 with dollar figures. I added them up and that's what they

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1 came to. There was an item labeled -- I shortened it here to
2 DVD log, but the actual document, I believe, said something
3 similar to consignment sales, DVD logs, something along those
4 lines.

5 And adding up everything that was out on assignment and
6 just assuming that everything was sold and Take Down was
7 actually paid, that's the figure that it would come up -- that
8 it would come to.

9 Q. All right, and the next category is called "distributor's
10 records" and then in parens "subpoena". If you could just
11 outline for us what your findings were there?

12 A. Yes. These were -- these are companies which distribute
13 CD's and DVD's. They were subpoenaed for their records and -
14 - these were some of the internet hits and some of the
15 information that came off of the internet. And the records of
16 those companies were subpoenaed, they responded, and those
17 were the figures that were associated with their dealings with
18 Take Down.

19 Q. All right. And then finally an item called "bank records
20 subpoena", what is that?

21 A. Yes. I reviewed -- we subpoenaed bank records, all the
22 known bank records of Take Down as well as various other
23 individuals who were under investigation or who were of
24 interest. I reviewed -- in reviewing the deposit slips for
25 these bank accounts, when I came across something which was

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1 noted as -- which was noted as for record sales or DVD sales
2 or it appeared to me that that's what it could be for, for
3 instance, an item from the Record Bar, item from Jazz Sound, I
4 would assume that those were business -- business income from
5 Take Down from DVD and CD sales that was consistent with items
6 from the consignment list and the consignment sheet, and those
7 were the dollar amounts that I found from that source. And
8 then I just total up all those revenues.

9 Q. Okay. And did you total up all of the revenues that you
10 were able to find?

11 A. Yes.

12 Q. And what was the total?

13 A. It was \$29,939.50.

14 Q. All right. Now if we could turn to the expenses portion
15 of the chart which is below --

16 MR. LLORET: And Agent Horay, if you could just
17 leave that level of magnification and we'll just go down the
18 chart. Thank you.

19 Q. And Agent Armstrong, if you could just -- I don't think
20 we have to go through it in quite the level of detail that
21 we've been going through, but can you tell us generally the
22 various categories and the items in the categories that you
23 found in your review of the various records?

24 A. Sure. The first category is studio rental. The first
25 item is Sigma Sound Studio. Obviously there's a large fee

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1 that was charged by Sigma Sound. Take Down was paying those
2 folks weekly for significant amount of time. The -- Sigma
3 Sound is out of business so we were unable to contact them or
4 to obtain any records.

5 The dollar figure is taken from search warrant documents
6 which show that amount being paid to Sigma Sound for studio
7 rental.

8 Mike Forte -- again, these are, that was a bank record
9 subpoena, and that check was marked studio rental.

10 The same with -- and I'm sorry, this name was really hard
11 to read. It comes from deposits, these were checks from this
12 individual, and Abdul Hazaid Hasan (phonetic) for \$2,000,
13 again marked studio rental. And the Manta School of Boxing
14 (phonetic), checks were made payable to them noted for --
15 noted for studio rental.

16 Q. All right. Go ahead.

17 A. The production costs. Ghetto Newsreel, that was a
18 company that was formed and involved in the making of the
19 scratching and surviving project, and I have the bank records
20 of Ghetto Newsreel, I have the bank records of Take Down
21 showing -- showing money going to Ghetto Newsreel for this
22 project, and that is the -- the \$44,500 is the total of funds
23 that went to the Ghetto Newsreel account from Take Down,
24 either in the form of bank checks, money orders, -- let me
25 take that back. There were no money orders in this section

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1 but there were some cashier's checks. And I reviewed the
2 checks going out from Ghetto Newsreel and found them to be
3 consistent with the making and production -- production of
4 videos.

5 Same thing for Ghetto City Productions which was a
6 company which was -- and the bank account was opened right
7 before money started coming in via checks from Take Down. And
8 it was noted for a hood party. And the checks going out from
9 that account are consistent with the making and production of
10 a video or -- and the total checks that went -- the total
11 amount that went into that account was \$19,300.

12 There was also some search warrant evidence that I
13 reviewed with indicated that the budget for the hood party was
14 \$19,300.

15 Next, Todd Wolf, Todd Wolf was an employee of Take Down,
16 a consultant of Take Down, I've heard it various ways. He was
17 involved in the production of -- in the production of videos.
18 He was involved with Menace. And this was another project,
19 the delinquents project for which he was paid. The record
20 shows that he was paid \$5,000 -- of I have checks or documents
21 showing that \$5,000 was paid. The contract with Wolf actually
22 calls for the payment of 26,000, but since I only could
23 confirm the five, that's all that's there.

24 Menace. The Menace figure is from search warrant
25 documents that were taken from Springfield. And that rough

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1 figure, that figure was roughly corroborated in a taped
2 conversation between Alton Coles and Timothy Baukman.

3 Q. All right. Now going down to the CD/DVD purchase and
4 duplication section, can you describe for us what your
5 findings were there?

6 A. Yes. These are companies which are involved in that
7 business. You can purchase CD's, DVD's from them, they will
8 duplicate for you and all of that sort of end of the business.

9 Absolute Disc, and this is involved with New Jack City,
10 they received that amount, those amount of funds from Take
11 Down for their services for New Jack City.

12 Discmakers, again a business involved in purchasing and
13 duplication of the same thing. Those were funds that were
14 paid to Discmakers. That was received via subpoena from the
15 records received from the Discmakers company. There were also
16 search warrant records.

17 Hub-Servall, same thing, search warrant records, records
18 received from the company.

19 Rainbo Records, again, same thing, records received from
20 the company, search warrant records.

21 Media Concepts, I believe that was -- that was I believe
22 just the search warrant records.

23 The advertising category, these are all search warrant
24 records, records which indicated payment for, and noted as
25 such for advertising for production or for -- or noting the

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1 project, and those were the amounts that I saw relative to
2 that.

3 I totaled those expenses were \$193,493.21 and just -- and
4 in netting the revenue with expenses, it comes to a loss of
5 167,530 -- 553 dollars and 71 cents.

6 Q. Now with respect to the last two charts that we looked
7 at, the Spectrum episode, the Take Down DVD's and CD's
8 episodes, are those figures significant to you in terms of
9 your evaluation of whether the use of the business was
10 consistent with money laundering?

11 A. Yes, it is.

12 Q. And why is it significant to you, based on your
13 experience?

14 A. Based on my experience, specifically a company which
15 starts from zero, no investors, the individuals involved in it
16 have no record of any legitimate income, spending -- spending
17 and losing large sums of money which is -- which is unsourced,
18 where the money is coming from that they are spending is an
19 open question, it's not being generated by the business.

20 Q. I see. Now did you also attempt to examine after hours
21 social events that were -- there was some indication in the
22 records that these had occurred?

23 A. Yes, I did.

24 Q. What was the state of the records with respect to those
25 items, if you can tell us? And I note, there is no chart for

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1 them, is that correct?

2 A. There is no chart for them.

3 Q. And if you can tell us what your findings were very
4 briefly.

5 A. Briefly, the state of those records were sketchy I would
6 say. There are times when there are records which are
7 relatively complete for a specific period of time relating to
8 the parties. There are times when it's very incomplete. And
9 that basically is where -- we do have some records from some
10 categories at certain times. We have Power 99 advertising
11 records for periods of time. We do have entry records for --
12 and most of these events took place at the Palmer's After Hour
13 Club. We do have for certain periods of time the entry
14 records associated with how many people actually went through
15 the door on any given Friday night of Take Down.

16 And we do have -- we have a lot but it's sketchy. We
17 certainly don't have anywhere near complete records.

18 Q. Okay. With respect to those sketchy records that you
19 were able to look at, did anything in those records cause you
20 to believe that that situation was inconsistent with what you
21 were seeing on the DVD's and the Spectrum episode?

22 A. I wouldn't say inconsistent. Given the state of the
23 records, it's clear to me at times, at times there are parties
24 that lost money, at times there are parties that made money.
25 Overall, for -- overall, it seemed to be -- it seemed to be --

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1 it's certainly not a huge loss like this. It seems that --
2 what I see is it was breaking even. There are times when they
3 obviously made some money. There are times when they
4 obviously lost money.

5 And also, some of the records that I did receive, some of
6 the records we have, show -- indicate that Take Down is not
7 the only person involved in these parties. Specifically,
8 Michelle Brown was a co-partner in the Palmers parties for at
9 least several years. And so as part of that, whenever Take
10 Down -- when they would make money from the parties, whenever
11 there was money from the parties being made, half of it goes
12 to Michelle Brown.

13 Q. But bottom line is, in terms of doing a sort of more
14 comprehensive chart, you just are unable to do it because
15 these records were just too sketchy?

16 A. That's correct.

17 Q. Okay. Let's turn to some other analyses that you've
18 done. Did you have occasion to examine payments by Timothy
19 Baukman in connection with various items?

20 A. Yes, I did.

21 Q. Can you tell us generally what those items were and what
22 you did in examining Timothy Baukman's expenses?

23 A. Yes. Well, specifically looked at three items; purchase
24 of the Jaguar, the rental of his residency apartment on
25 Schoolhouse Lane, and the rental of the Essex Lane stash

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1 house.

2 Q. Okay. Did you prepare some charts with respect to these
3 items to summarize your findings on the various expenses?

4 A. Yes, I did.

5 Q. Okay. Can you tell us which chart should we start with
6 in looking at?

7 A. I would start with chart number 704B.

8 Q. Well, we'll do that then.

9 MR. LLORET: 704B, Agent Horay. And again, Your
10 Honor, by stipulation.

11 MR. WARREN: That's correct, Your Honor.

12 THE COURT: All right.

13 BY MR. LLORET:

14 Q. Now, Agent, this rather sparse looking chart is prepared
15 by you, is that correct?

16 A. Yes, it's a sparse looking chart prepared by me.

17 Q. Okay. And what was your methodology and what does the
18 chart reveal?

19 A. These -- the information from this chart was taken from
20 subpoenaed bank documents of Wachovia Bank. The account in
21 question is the account in the name of Tauheed Baukman. And
22 the chart shows yearly deposits. The deposits for the year
23 are accumulated into one total for the year. And it's listed
24 by year, by the total amount of the yearly deposits, how much
25 of that amount is cashed and how much is what I call other.

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1 And those are just totaled at the bottom and basically
2 what it comes out to is that during that time period of 2001
3 to 2005, there were \$202,263.43 in total deposits. Of that
4 amount, \$155,115 was cash, that is currency, and \$47,148.43
5 was other. And that other is -- the vast majority of that are
6 checks.

7 There is another chart which is 704A which actually shows
8 each and every deposit, you know, which is multi pages and is
9 not all that interesting. But it was interesting to me
10 because I really wanted to see and I was interested in seeing
11 what those other deposits were.

12 MR. LLORET: Your Honor, just for completeness, and
13 we won't go through it, but if we could show 704A, which has
14 also been introduced by stipulation. And we'll just show the
15 first page.

16 BY MR. LLORET:

17 Q. Agent, this is a multi-page chart that is in evidence
18 that you prepared, is that right?

19 A. That's correct.

20 Q. And just if you could give us an idea, you don't need to
21 go through line items but just basically what does this chart
22 show?

23 A. This chart is a more detailed version of the first chart
24 we were looking at. It was again drawn from the Wachovia
25 records of Tauheed Baukman and it shows the deposits into the

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1 account, and it's -- and it shows date of deposit, amount of
2 deposit, the amount of the deposit that was currency and the
3 amount of the deposit that was other.

4 Q. And the other column, on this chart, does that give more
5 detail about the composition of the various other items in the
6 chart 704B?

7 A. Yes, it does. There's actually another column, the payor
8 column. And that is the source of the other. That is -- for
9 instance, we see two Metro Auto Sales checks. And that's what
10 those were in the amounts and those were deposited into the
11 account.

12 Q. Okay. So going back to 740 -- or 704B, basic --

13 A. Sure, and if I could just --

14 Q. Certainly.

15 A. In looking at it, just seeing what the other deposits
16 were, there were -- there were three checks from Metro Auto
17 Sales, checks from Take Down. There was one check which was a
18 -- which was noted as a reimbursement for expenses for the
19 hood party. There was a third party check, there was an
20 insurance check from what was noted as the Jaguar claim. That
21 was basically all of the other.

22 Q. All right. And perhaps what we'll do is talk about some
23 of the other charts showing what went out of the account, and
24 then we'll talk about the significance of these various
25 transactions.

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1 Shall we turn to number 704C --

2 MR. LLORET: Which again by stipulation, Your Honor,
3 this is a chart that deals with --

4 Q. Well, Agent, let me ask you. What does this chart deal
5 with, 704C?

6 A. 704C is a chart which shows, and it's drawn from the same
7 Wachovia Bank account records that we just saw the deposit,
8 the deposit records of, that same Wachovia account in the name
9 of Tauheed Baukman. And this chart shows payments that were
10 made to Charter One, which is an auto finance company, for --
11 and these payments were made for the loan on the Jaguar that
12 was purchased at Metro Auto.

13 Q. And I see the sort of monthly payments appears. What was
14 your methodology there, did you just -- well, tell us how you
15 came upon these items and what was your criteria for putting
16 these items in?

17 A. Well, these are all checks. These are all from the
18 subpoenaed documents. These are checks, cancelled checks that
19 were made payable to Charter One. The chart lists the date,
20 and I put the date of the check, not the date of clearance,
21 the check number, the amount of the check, and at the end of
22 it they total to 19,000 -- excuse me -- they total to
23 \$16,947.20.

24 Q. Now these checks, were they checks from whom to whom, if
25 you can tell us?

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1 A. Well, these are -- to look at the check, the check would
2 appear -- would be from Tauheed Baukman to Charter One for
3 payment of the loan on the Jaguar in the name of Antoinette
4 Williams.

5 Q. All right. The name though is Tauheed Baukman?

6 A. Tauheed Baukman, yes.

7 Q. Okay. Just parenthetically, Agent, what significance, if
8 any, did the use of an account in the name of Tauheed Baukman
9 and checks in the name of Tauheed Baukman have to you in your
10 experience?

11 A. Opening of bank accounts in straw party names is
12 extremely common. Again, generally if you have an individual
13 who is involved in illegal activity, has no legal income, they
14 should not have -- they should not have any money, they --
15 just looking at them on the surface, they had no legal income,
16 they shouldn't have a bank account that has this amount of
17 funds through it, they shouldn't have a Jaguar and be able to
18 pay a loan.

19 MR. WARREN: Objection, Your Honor.

20 THE COURT: Objection sustained.

21 BY MR. LLORET:

22 Q. And Agent, looking at number 704D, can you tell us what
23 that is?

24 A. This is a similar chart, and it's drawn from the Wachovia
25 account of Tauheed Baukman, same account that we have been --

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1 that I was speaking of prior. And these were checks made
2 payable to Century 21 Real Estate, for the -- and the purpose
3 of the checks was for the rental of 349-B Essex Avenue.

4 Q. All right. Again, Agent, with respect to your
5 methodology, what checks did you include in this?

6 A. Only included those checks that I -- that we obtained
7 from the bank that I saw. That I could look at, review,
8 payable to Century 21. Almost all these checks were marked
9 with, in the memo section, either 339 Essex, rental Essex,
10 something similar to that.

11 Q. All right. Who were these checks -- or what was the name
12 of the signature on these checks?

13 A. Tauheed Baukman.

14 Q. All right. And again, the total of the checks paid on
15 account of 339 Essex Avenue was how much?

16 A. \$16,150.

17 Q. And the date on these checks, was this the date of the
18 check or the date of clearance?

19 A. It would be the date of the check.

20 Q. Okay. And then let's look at --

21 MR. LLORET: And Your Honor, 704D again is included
22 by stipulation of the parties.

23 MR. WARREN: Correct, Your Honor.

24 Q. Agent, let's look at 704E. And can you tell us what 704E
25 is?

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1 A. 704E is a chart, is a chart showing payments made.

2 Again, we're talking about the same Wachovia account in the
3 name of Tauheed Baukman. These were checks that were made
4 payable and actually sent and negotiated to Eastview Realty
5 (phonetic) which is the realty company which manages the
6 Schoolhouse Lane apartments.

7 Q. And is this during roughly the same period as the
8 payments for the Essex apartment?

9 A. Yes, that's correct.

10 Q. And does it at least in part comprehend the period during
11 which the Jaguar was being paid?

12 A. Yes, it does.

13 Q. If you can look back, just to reference on 704C, and we
14 don't need to turn to it on the screen, but Agent, can you
15 tell us the sort of begin date and end date of the Jaguar loan
16 payments?

17 A. Yes. Begin date March 11th of '02, end date November
18 18th of '04.

19 Q. All right. And then looking at 704D, we don't have to
20 turn to it on the screen, can you tell us the begin date and
21 the end date of the Essex Avenue rentals?

22 A. Begin date 9/17/02, end date 7/6/05.

23 Q. All right. And then looking at chart 704E which is the
24 one before us, can you tell us the begin date and end date of
25 payments on the Schoolhouse Lane apartment?

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1 A. Begin date 10/30/02, end date 5/17/05.

2 Q. The total paid for the apartment at Schoolhouse Lane?

3 A. \$42,265.63.

4 Q. And with respect to the name on the account, who was it?

5 A. Tauheed Baukman.

6 Q. And the checks that you saw, who was the name on the
7 checks?

8 A. Was signed by Tauheed Baukman, signed in the name of
9 Tauheed Baukman.

10 Q. Okay. We talked yesterday about the significance of
11 efforts to hide ownership, also to hide sourcing and so forth.
12 Do you have any opinion with respect to, based on your
13 experience, this type, is it consistent with an effort to hide
14 ownership?

15 A. Yes, it is --

16 MR. WARREN: Objection, Your Honor.

17 THE COURT: Basis?

18 MR. WARREN: That's the ultimate issue.

19 THE COURT: The objection to that question is
20 overruled.

21 MR. LLORET: Thank you.

22 BY MR. LLORET:

23 Q. Agent, you understood my question, was whether it's
24 consistent with an effort to hide ownership?

25 A. Yes, it is consistent.

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1 If I can just say one thing about these charts?

2 Q. Yes, sir.

3 THE COURT: No, just a moment. You answer the
4 questions.

5 MR. LLORET: Certainly.

6 Q. Agent, with respect to the charts, are there any other
7 comments that you have that bear on the testimony that you've
8 just given?

9 A. Yes. I just wanted to note in the charts, and frankly
10 this was noted at the grand jury so in case it comes up again
11 I would just want to address it. There are what appear to be,
12 within the three charts, and you can't see it unless you see
13 all three charts at the same time, duplicate check numbers.
14 That is, and I happen to know that check 1041 is one of them.
15 There's a check 1041 payable to Eastview Realty, and there's a
16 check 1041 payable to I believe Charter One as well.

17 Those -- that is correct. There are duplicate check
18 numbers that were actually used here. That was my only point,
19 that that part is not an error.

20 Q. You went back and actually looked at them?

21 A. Yes.

22 Q. And compared them and determined that there was a 1041
23 that was payable to one entity and a 1041 payable to another?

24 A. Yes, that's correct.

25 Q. Okay, thank you.

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1 Now, Agent, there are also some cars that were purchased
2 from Metro Auto Sales that involve Kristina Latney, is that
3 correct?

4 A. That's correct.

5 Q. And did you examine those transactions as well?

6 A. Yes, I did.

7 Q. Turning perhaps to number 701F --

8 MR. LLORET: Which by stipulation, Your Honor, is a
9 summary chart.

10 MR. WARREN: Correct, Your Honor.

11 THE COURT: All right.

12 MR. LLORET: We can show the jury that.

13 BY MR. LLORET:

14 Q. Agent, what is 701F?

15 A. 701F is a summary chart of -- showing deposits into the
16 Kristina Latney bank account at Commerce Bank.

17 Q. All right. And what's the start date and end date of the
18 period that's depicted on the chart?

19 A. Start date is August 2nd of '01 and the end date is June
20 27th of '05.

21 Q. All right. What is the methodology of the chart? What
22 information does it provide us with?

23 A. The chart provides -- provides information relative to
24 the deposits into that account. It shows the date of the
25 deposit, the total amount of the deposit, how much of that

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1 amount is -- was cash, how much of it was other than cash, and
2 those deposits are then just -- and the end accumulated and
3 totaled.

4 Q. Okay. Can you tell us -- and let's look down at the
5 totals on the bottom --

6 MR. LLORET: If we can box that up a little bit.

7 Q. Agent, you totaled up the various columns. And going
8 across, the first item is the total deposits column, is that
9 correct?

10 A. That's correct. That's the total amount of deposits into
11 the account in that time period, and that was \$66,190.

12 Q. And then the next column is the cash amount?

13 A. Yes, that's the amount in cash.

14 Q. All right. And then the last column -- what is that
15 amount?

16 A. The cash amount is \$55,270. The other amount is \$9,920.

17 Q. All right. What significance, if any, do these items
18 have in your experience to the issue of whether this account
19 was consistent with money laundering?

20 A. Currency into the account, given Ms. Latney's -- which
21 was shown in the investigation, her financials, her financial
22 status, there was, as far as Ms. Latney was concerned, no
23 legitimate source of the money going into this account, and
24 the fact that it was in fact is significant into the
25 investigation, as well.

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1 Q. Does the fact that the -- well, let's just turn to the
2 next chart and I'll ask the question a little differently.
3 The next chart we'd like to look at is number 701G.

4 MR. LLORET: If I can show that to the agent. Thank
5 you.

6 Q. Agent, do you have number 701G before you?

7 A. Yes, I do.

8 Q. All right. And what is 701G?

9 A. 701G is a chart showing, showing again automatic debits
10 being made out of the Kristina Latney Commerce Bank account.
11 And the debits were in payment for a loan on a 2001 Mercedes
12 Benz.

13 This is the Commerce -- this Commerce account was set up
14 at the time of the purchase of the Mercedes and it -- by set
15 up I mean opened. And it was opened specifically such that --
16 such that automatic debits would be made from it into the loan
17 which was also held by Commerce.

18 Q. All right. What's the start date and the end date on
19 this particular chart?

20 A. The start date is 8/3 -- August 3rd of '01. The end date
21 is June 6th of '05.

22 Q. And the total paid?

23 A. Is \$31,409.51.

24 Q. And that regards the Mercedes that was purchased from
25 Metro Auto Sales?

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1 A. That's correct,

2 MR. LLORET: And if we can turn to chart 701H, and
3 again, Your Honor, by stipulation of the parties.

4 MR. WARREN: That's correct, Your Honor.

5 THE COURT: All right.

6 BY MR. LLORET:

7 Q. Agent, what is 701H?

8 A. 701H is another summary chart showing automatic debits
9 from the same Kristina Latney Commerce Bank account that we've
10 -- that I've been speaking of, and these are automatic debits
11 that were made in payment of a loan on a 2002 Cadillac
12 Escalade.

13 Q. All right.

14 A. And that is the Escalade that was purchased at Metro Auto
15 Sales.

16 Q. All right. And the begin date on that transaction and
17 the end date?

18 A. 6/25/02 is the begin date, the end date is 6/27/05.

19 Q. And the total paid for the Cadillac?

20 A. The total is \$23,603.29.

21 Q. Now, sir, with respect to the last two charts we've
22 shown, we've got 31,000 for the Mercedes, 23,6 for the
23 Cadillac, and we saw the chart before that, 701F, total of
24 approximately \$66,190 deposited to the account. Does the --
25 do those various figures, the deposits versus the expenses, do

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1 they have any significance to you in your experience with
2 respect to the issue of whether these transactions were
3 consistent with money laundering?

4 A. Yes, they are in my experience consistent with money
5 laundering. Almost all of the funds that went into this
6 account were used in the payment of those two auto loans.

7 Q. And based on your experience, and perhaps giving an
8 illustration from your experience, why is that significant?

9 A. It's significant -- in my experience, the use of bank
10 accounts for any given purpose, the only money that goes into
11 the account is money that is then going to come out relatively
12 quickly and will be used for whatever purpose it was going to
13 be used for. But the deposits, the money in, will basically
14 roughly equal the money out. There will be no accumulation of
15 funds.

16 Q. All right. Now, couple of secondary issues. Did you
17 also examine tax records concerning Alton Coles during the
18 period, and Take Down Records as well, and Naseem Coles as
19 well and Timothy Baukman and Tauheed Baukman for various
20 periods of time pertinent to the investigation?

21 A. Yes, I did.

22 Q. Did you determine what the tax status of Alton Coles was,
23 whether taxes had been filed during various periods of time
24 during this investigation?

25 A. Yes, I did.

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1 Q. Can you tell us about that information that you derived?

2 A. Yes, I believe -- and if I could just refer to the actual
3 documents?

4 Q. Okay.

5 A. I'll wait till I see it.

6 Q. Certainly. Is this the book that you prepared?

7 A. Yes.

8 Q. All right, and if you could just refer --

9 MR. LLORET: And again, Your Honor, these are marked
10 as exhibits and stipulated in.

11 Q. But Agent, if you would tell us, what's the first exhibit
12 you have before you?

13 MR. WARREN: They're agreed to, Your Honor.

14 MR. LLORET: Thank you.

15 THE COURT: All right.

16 A. First document is, and this is an IRS generated document,
17 it's entitled "certification of lack of record".

18 Q. What is that?

19 THE COURT: Is that marked as an exhibit or is the
20 entire book marked?

21 Q. Agent, is the entire book marked and then also is the --
22 are the individual exhibits marked?

23 A. The book is marked as 737, the individual exhibits are
24 individually marked as A, B, C.

25 THE COURT: Okay, as you go through them, would you

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1 identify what you're referring to?

2 THE WITNESS: Yes, Your Honor.

3 THE COURT: All right.

4 BY MR. LLORET:

5 Q. Looking at I guess 737A, is that the certificate of lack
6 of filing or lack of record?

7 A. Yes, that's correct.

8 Q. And that relates to whom?

9 A. Alton Coles.

10 Q. And for what period?

11 A. 2000, 2001, 2002, and 2003.

12 Q. All right, so what does that record mean in IRS lingo?

13 A. There's no tax return filed.

14 Q. Okay. Looking at the exhibit marked 737B within the
15 notebook, can you tell us what that is?

16 A. This is an IRS document noting third-party payments for
17 Alton Coles during this period of time.

18 Q. And what did that document reveal?

19 A. It's only revealing for the year 2000, Mr. Coles received
20 \$3 in interest from First Union National Bank, now Wachovia
21 Bank.

22 Q. And what period of time does that document cover?

23 A. That document covers the year 2000.

24 Q. All right. And what are third-party payments, just so we
25 understand?

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1 A. Well, third-party records are records which are -- which
2 are generated by third parties and sent both to -- both to --
3 in this case it's a bank, and the document we're talking about
4 is a 1099. And that document would be sent both to the
5 account holder and to the Internal Revenue Service. And the
6 IRS takes all of these records that they receive, combines
7 them for the appropriate tax year and compares them with
8 what's filed on the tax return.

9 Q. Okay. Looking at 737C, what is that document?

10 A. That is a -- this is a document concerning Naseem Coles,
11 and it's a certification of lack of record.

12 Q. And what does that certification reveal?

13 A. There is no tax return filed for the years 2000, 2001,
14 2002 and 2003.

15 Q. All right. There is a document marked 737D. What is that
16 document?

17 A. 737D are again an IRS report of third-party documents
18 that were received relating to Naseem Coles.

19 Q. And what does that document reveal?

20 A. The first page of this document relates to the -- to the
21 2001 year, and it's showing that First Union Bank reported to
22 the IRS \$167 in interest income to Naseem Coles.

23 Q. All right. Just for a moment, Agent, you checked Naseem
24 Coles, is that right?

25 A. Yes.

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1 Q. Do Naseem Coles and Alton Coles have two different Social
2 Security numbers?

3 A. Yes, they do.

4 Q. There was some suggestion during questioning in another
5 context about the possibility of improving one's credit by
6 utilizing the identity of one's child or some such, or another
7 person and then using that device to improve one's credit. Do
8 you have experience examining credit histories and determining
9 credit histories as part of your investigatory experience?

10 A. Yes, I review credit histories.

11 Q. Okay. And what is your experience with respect to that
12 particular device? Have you experience with that being
13 possible to do to improve one's credit by using one's child?

14 A. No, that will do just the opposite to the child. It will
15 destroy the child's credit.

16 Q. Okay. If we can look at 737E, what is that document?

17 A. 737E is again the certification of lack of record, which
18 is to say no tax return filed, for Timothy Baukman for the
19 year 2000, 2001, 2002, and 2003.

20 Q. All right. And what is 737F?

21 A. 737F is a certification of lack of record, no tax return
22 filed for Tauheed Baukman.

23 Q. And for what period of time?

24 A. And that would be for 2000, 2001, 2002 and 2003.

25 Q. And next, what is 737G?

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1 A. G is again that IRS internal document that I referred to
2 which shows reports of third-party payments that were reported
3 by third parties for monies received by Tauheed Baukman by
4 that third party.

5 Q. And what did your review determine?

6 A. This document shows the report by First Union Bank of \$14
7 in interest for the year 2001, interest generated from an
8 account in the name of Tauheed Baukman.

9 Q. And the document 737H, what is that?

10 A. 737H is the tax return of Kristina Latney for the year
11 2000.

12 Q. And what does that reveal?

13 A. It shows \$755.86 in total income.

14 Q. And that's for the 2000 tax year?

15 A. Yes. That's correct.

16 Q. Okay. And net, 737I, what is that?

17 A. 737I is a copy of the filed 2001 tax return of Kristina
18 Latney.

19 Q. And what if anything does that show?

20 A. It shows a total income of \$3,738.

21 Q. All right. I'm looking at number 737J, can you tell us
22 what that document is?

23 A. 737J is a certification of lack of record, a no record of
24 filing for Kristina Latney for the years 2002 and 2003.

25 Q. And 737K, what does that show? What is it and what does

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1 it show?

2 A. K is -- K is a computer generated print of a tax return
3 of Kristina Latney for the year -- this is a computer
4 generated return for the year 2001 for which we also have the
5 actual tax return.

6 Q. Okay, so it's duplicative really?

7 A. Yes, it is.

8 Q. And the same information, all right. Now, Agent, I also
9 wanted to ask you, with respect to the Spectrum, if you could
10 just, under the possibility that some of us are not familiar,
11 what type of business activity does the Spectrum engage in?

12 A. The Spectrum is an arena. It's a very large arena located
13 in South Philadelphia. I believe its capacity is for -- I
14 know for basketball its capacity is close to 20,000. It was
15 for years the home of the Philadelphia 76ers, the Philadelphia
16 Flyers. It was the major indoor venue in the city.

17 Q. And with respect to the event, the Hip Hop Explosion
18 event in 2002, did the contracts and the various documents
19 that you examined reveal that various acts and so forth were
20 coming from out of state to that Hip Hop Explosion?

21 MR. WARREN: Your Honor, if this will expedite
22 matters, we will stipulate that it had an effect on interstate
23 commerce, if that's what Mr. Lloret is looking for.

24 MR. LLORET: Thank you, Your Honor.

25 THE COURT: All right.

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1 BY MR. LLORET:

2 Q. Now, Agent, just a few more records and I believe we're
3 going to be done. I'd like to show you some tax documents of
4 some other individuals ta have been --

5 MR. LLORET: Again, Your Honor, these have been
6 relayed to counsel and I don't think we have any concerns
7 about it.

8 MR. WARREN: That's correct, Your Honor.

9 THE COURT: They've all been stipulated?

10 MR. HETZNECKER: They are, Your Honor. I have one
11 question of Mr. Lloret.

12 MR. LLORET: Certainly. These involve other
13 individuals.

14 (Pause)

15 MR. LLORET: Thank you, Your Honor. Thank you, Mr.
16 Hetznecker.

17 BY MR. LLORET:

18 Q. First, Agent, I wanted to show you a set of tax returns
19 or a set of information received from the IRS, I should say,
20 with regard to Mr. Morris. And I hand these to you --

21 MR. LLORET: And we can do the same methodology,
22 Your Honor, if the Court pleases. I'll just refer to the
23 exhibit and ask the agent if these had been -- these are
24 without objection, as I understand it.

25 MR. HETZNECKER: That is correct.

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1 THE COURT: All right, they're been stipulated. Go
2 ahead.

3 BY MR. LLORET:

4 Q. Agent, looking at item number, Exhibit number 760A, can
5 you tell us what that is and what it reveals?

6 A. Yes, it's an IRS certification of lack of record for
7 James Morris concerning the -- concerning no tax return filed
8 for the years 2000 and 2001.

9 Q. All right. And looking at number 760B, what is it and
10 what does it reveal?

11 A. It is a certified copy, IRS certified copy of the 2002
12 tax return filed by James C. Morris.

13 Q. And that's the form 1040, is that right?

14 A. Yes, that's correct.

15 Q. Okay, and what does that reveal as to the income?

16 A. Total income is \$903.

17 Q. All right. And next, turning to Exhibit number 760C,
18 what is that and what does it reveal about income?

19 A. 760C is a certified copy of the 2003 1040 tax return
20 filed by James C. Morris.

21 Q. All right. And what does that reveal about Mr. Morris's
22 income?

23 A. Total income \$8,530.

24 Q. All right. And next is Exhibit number 760D. What is
25 that and what does it reveal about income?

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1 A. 760D is the 2000 -- is a certified copy of the 2004
2 individual tax return form 1040 for James C. Morris.

3 Q. And what does that reveal as to Mr. Morris's reported
4 income?

5 A. Total income is \$9,577.

6 Q. And looking at number 760E, what is that document?

7 A. 760E is a certified copy of the 2005 individual tax
8 return filed by James C. Morris.

9 Q. And what does that document reveal about Mr. Morris's
10 report income?

11 A. Total income is \$1,629.

12 Q. Very well. Turning next to a set of documents that
13 relate to defendant Thais Thompson.

14 MR. LLORET: And Your Honor, we'll do the same
15 methodology with these.

16 THE COURT: These have been stipulated also?

17 MR. HETZNECKER: They are, Your Honor.

18 THE COURT: All right.

19 BY MR. LLORET:

20 Q. Agent, looking first at Exhibit 761A, what is that?

21 A. 761A is a IRS certification of lack of record, a no tax
22 return filed by Thais Y. Thompson for the year 2005.

23 Q. And what does that document reveal with Ms. Thompson's
24 income or stated income?

25 A. Nothing. There's no return filed.

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1 Q. I'm sorry, I apologize. It's a lack of record. I'm
2 asleep at the switch here.

3 761B, what is that document?

4 A. Let me backtrack, I was just reading what was the top
5 document you gave me which is actually marked 761F.

6 Q. I apologize.

7 A. So it's --

8 MR. LLORET: Your Honor, if we can then correct the
9 record --

10 THE COURT: The lack of record is 761F, is that what
11 you're saying?

12 THE WITNESS: Correct.

13 THE COURT: And that's for the year 2005?

14 THE WITNESS: Yes.

15 THE COURT: All right.

16 MR. LLORET: Thank you, Agent.

17 THE COURT: Go ahead, Mr. Lloret.

18 BY MR. LLORET:

19 Q. 761A.

20 A. 761A is a certified copy of the 2000 tax return for Thais
21 Thompson.

22 Q. And what does that document reveal about her income?

23 A. Total income is \$8,751.

24 Q. All right. Looking now at 761B, what is it and what does
25 it reveal about income?

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1 A. 761B is a certified copy of the tax return filed by Thais
2 Thompson for the year 2001, and it shows total income of
3 \$5,828.

4 Q. Very well. Next is 761C, can you tell us what that
5 document is and what it reveals about income?

6 A. 761C is a certified copy of the 2002 tax return,
7 individual tax return filed by Thais Y. Thompson, and it shows
8 a total income of \$10,474.

9 Q. And turning to 761D, what is that document and what does
10 it reveal about income?

11 A. 761D is a IRS certified copy of the 2003 individual tax
12 return filed by Thais Y. Thompson, and it shows total income
13 of \$21,618.

14 Q. And now finally 761E, what is that document?

15 A. 761E is a certified copy of the 2004 1040 filed by Thais
16 Y. Thompson. It shows a total income of \$19,896.

17 Q. Very well.

18 MR. LLORET: Your Honor, if I may just take a
19 moment.

20 THE COURT: Yes.

21 (Pause)

22 MR. LLORET: Counsel informs me I'm done, Your
23 Honor, so I'm done, thank you.

24 THE COURT: All right. Mr. Warren.

25 MR. WARREN: Thank you, Judge.

Armstrong -Cross (War)

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CROSS-EXAMINATION

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BY MR. WARREN:

Q. Good morning, Agent Armstrong, how are you doing?

A. Good morning, sir, I'm fine.

Q. You and I have met before, correct?

A. Correct.

Q. All right. The chart, we don't need to put it up, but this was the chart -- did you put this chart together or did somebody else?

A. It was put together at my direction.

Q. Okay. All right, this is the chart that you prepared and you basically described for the jury that talks about how the money that was used to purchase Dillion's Lane was transferred out of accounts, so on and so forth, right?

A. Correct.

Q. All right. And the significance of some of these amounts, like this one here, 9200, 9800 on 7/29/05 is that they're less than \$10,000, right?

A. Correct.

Q. And what happens is if you put more than 10,000 in cash into a bank, the bank files paperwork that tells the IRS who put the money in, correct?

A. Yes.

Q. And that the amount was over \$10,000, right?

A. It reports the amount, yes.

Armstrong -Cross (War)

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1 Q. So the idea of structuring is to prevent the bank from
2 filing that document with the IRS, correct?

3 A. That's correct.

4 Q. So the IRS doesn't know you have the cash, right?

5 A. Correct.

6 Q. Your chart, however, does not identify anywhere where the
7 money came from, does it?

8 A. Where the currency came from that was used to deposit
9 into the bank?

10 Q. Yes. It doesn't say where that money came from, does it?

11 A. That's correct.

12 Q. All right. So it doesn't identify the source of the
13 money, right?

14 A. That's correct.

15 Q. All right. Now if we could look at -- I'm going to turn
16 to the Spring Hip-Hop Explosion, okay?

17 MR. WARREN: Agent Horay, would it be possible to
18 put 750E up on the screen?

19 Q. All right, now, this -- you prepared this document,
20 right?

21 A. Yes, that's correct.

22 Q. Can you see it?

23 A. No.

24 MR. WARREN: Can we turn the screen --

25 THE COURT: Why don't you give him the document

Armstrong -Cross (War)

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1 itself.

2 MR. WARREN: May I approach?

3 THE COURT: Yes.

4 THE WITNESS: Thank you.

5 BY MR. WARREN:

6 Q. All right, now you prepared this document, right?

7 A. Yes, I did.

8 Q. And is it correct that you based this document on records
9 that you guys seized when you searched the studio on
10 Springfield Avenue?

11 A. Partly, yes.

12 Q. Partly. Some of the -- for example, the revenue, the
13 Spectrum checks, you didn't find copies of those at
14 Springfield, did you?

15 A. One of them I did, the one that was made payable to Take
16 Down.

17 Q. Okay.

18 A. Excuse me. There was a photocopy of the check attached
19 to a deposit slip.

20 Q. Okay. And I think you told us also you subpoenaed some
21 documents, is that right?

22 A. Yes, I subpoenaed the Spectrum.

23 Q. Okay. Now did I hear you correctly, were the records in
24 not that good of shape, did you tell us that on direct
25 examination?

Armstrong -Cross (War)

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1 A. I did not say not that good of shape. I said they were
2 not -- they were not filed, indexed as you would -- as I would
3 expect coming from a business.

4 Q. Were you actually present when they searched Springfield
5 Avenue?

6 A. No, I was not.

7 Q. Do you know where they found the records?

8 A. Within Springfield?

9 Q. Yes.

10 A. No, I do not.

11 Q. Do you know whether or not they were put together or
12 scattered all over the place or what their status was when
13 they went in there?

14 A. No.

15 Q. How were the documents given to you? Just in a big pile?

16 A. They were placed in boxes with evidence tags.

17 Q. Okay. And were the boxes in any particular order? Just
18 boxes of documents that you had to sift through?

19 A. That's a fair description.

20 Q. And these documents, did they cover a particular time
21 period?

22 A. I would say that the time period was -- was -- well,
23 certainly going backwards. It covered the current time period
24 which was '05 and there were records going back to '02.

25 Q. Right.

Armstrong -Cross (War)

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1 A. So --

2 Q. So you had various scattered records which spanned the
3 time period of 2002 to 2005, right?

4 A. Yes.

5 Q. All right. Now, Springfield Avenue was not the only
6 place that Take Down Records had an office, was it?

7 A. Used as a recording studio, I know that they used the
8 Sigma Sound Studios as well.

9 Q. Okay. Well, were there other addresses that you know of
10 in which Take Down Records had an office?

11 A. I'm sorry, Mr. Warren. I just don't know if they had an
12 office. I know that they rented space at Sigma Sound. I
13 don't know if they had an office there or if they just rented
14 studio space there.

15 Q. Okay. Do you know whether or not Mr. Coles used any of
16 the other properties that we've heard about in this case to
17 run Take Down Records?

18 A. No, I do not.

19 Q. You do not, okay. Do you know when it was they moved
20 into the Springfield Avenue address?

21 A. No, I don't.

22 Q. Do you know whether or not they had to move from some
23 place else?

24 A. I'm sorry?

25 Q. Do you know whether or not they moved from somewhere else

Armstrong -Cross (War)

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1 before they got to Springfield?

2 A. In terms of recording studio or in terms of office?

3 Q. Office, business records we're talking about.

4 A. Okay, in terms of office, no, I do not know.

5 Q. Okay. Now, let me ask you a couple things about the
6 expenses, and then I want to talk about something else.

7 Down -- one of the big line items for expenses is the
8 money that was supposedly paid to the performers, right, down
9 at the bottom?

10 A. Yes.

11 MR. WARREN: Agent Horay, can we blow that up.

12 Q. All right. Now, I think you told us on direct
13 examination that some of these figures here you got from the
14 actual contracts themselves, right?

15 A. Yes.

16 Q. Okay. Was Little Mo, the \$8,000 that was supposedly paid
17 to Little Mo, did that come from the contract?

18 A. Yes.

19 Q. Okay. And the contract was -- was that a Take Down
20 Records contract?

21 A. No, it was a Big Bloc Entertainment contract.

22 Q. Big Bloc Entertainment contract. And the contract itself
23 said Little Mo was supposed to be paid 8,000?

24 A. Contract called for the payment of 8,000 payment of a
25 deposit up front at the signing of the contract and called for

Armstrong -Cross (War)

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1 the payment of various expenses, plane fare, hotel rooms, that
2 kind of stuff.

3 Q. Okay. Did you find any checks or documents which show
4 exactly how much was paid to Little Mo?

5 A. I believe I did see a handwritten note of, for receipt of
6 a deposit.

7 Q. How much was that?

8 A. I believe it was a thousand dollars.

9 Q. A thousand. So you've got a document which indicates
10 handwritten that a thousand dollars was paid to Little Mo?

11 A. Yes, that's right.

12 Q. Anything else which any amounts that were actually paid
13 to the artists?

14 A. No.

15 Q. Okay, same question with respect to Sharissa, did you
16 base that \$8,000 amount on the fact that the contract said
17 Sharissa was supposed to get \$8,000?

18 A. Yes, and the terms of the contract.

19 Q. Okay. Did you actually see any checks or any documents
20 that showed you how much was actually paid to Sharissa?

21 A. The answer is no, but just to go back on just one part of
22 the contracts. The contract specifically states that if
23 they're not paid before their performance they won't be there.
24 And for -- from all of our information they were there, so.

25 Q. Well, did you see any checks coming from Take Down

Armstrong -Cross (War)

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1 Records payable to Sharissa in the amount of \$8,000?

2 A. No.

3 Q. Do you know how these people were paid?

4 A. Do I know? No, I don't know.

5 Q. Do you know whether or not they were paid in cash at the
6 show?

7 A. I do not know.

8 Q. Do you know whether or not they may have taken a discount
9 to get paid in cash?

10 A. Whether they took an additional -- actually, the contract
11 calls to paid for in cash so they would not have taken a
12 discount.

13 Q. Okay. And you know that because you've spoken with
14 Sharissa, right?

15 A. I know that because I read the contract.

16 Q. Have y spoken with Sharissa?

17 A. No.

18 Q. Spoken with Little Mo?

19 A. No.

20 Q. Beanie Sigel, the \$45,000 fee there, okay, again you're
21 basing it on the contract?

22 A. Yes, that's correct.

23 Q. Any documents which would reflect payment in that amount
24 to Mr. Sigel?

25 A. There's a document showing a receipt, a receipt showing a

Armstrong -Cross (War)

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1 receipt of I believe \$10,000 deposit.

2 Q. \$10,000 deposit? Any other written documents which
3 evidence payment to Mr. Sigel?

4 A. No.

5 Q. Okay. Did his contract also call to be paid in cash?

6 A. Yes, I believe it did.

7 Q. Okay. Now if we could look at -- by the way, the
8 deposits to the Spectrum, a big line --

9 MR. WARREN: Could we blow that up, please, Agent
10 Horay.

11 Q. All right, now, the deposits to the Spectrum, the big
12 line item here is \$47,576.50, right?

13 A. That's correct.

14 Q. All right. Who actually paid that? Was it Get That
15 Dough or Take Down Records?

16 A. It came from a Get That Dough check.

17 Q. Okay. Get That Dough being, was that Melissa Brown --
18 oh, I'm sorry, Michelle Brown?

19 A. Yes, that's correct.

20 Q. Beanie Sigel's mom?

21 A. Correct.

22 Q. Okay. And her company, Get That Dough, was the one that
23 cut the \$47,000 check, right?

24 A. That's correct.

25 Q. But it was still, and I don't mean to mislead anybody,

1 you're showing the total revenues made by Get That Dough and
2 Take Down Records, right?

3 A. That's correct.

4 Q. So that's why you included the money that was paid,
5 47,000 by Get That Dough, as part of the expense, right?

6 A. In addition, I reviewed a contract between Take Down and
7 Get That Dough where it detailed the relationship, detailed
8 that revenue and expenses would be shared equally 50/50, and
9 the records are extremely consistent with that.

10 Q. Okay. Well, did you see any checks coming from Take Down
11 Records that were applied to this deposit?

12 A. The \$10,000 came originally from Take Down, it was given
13 to -- it was given to Scott Griffith (phonetic) who then, who
14 then -- who took in the \$10,000 and forwarded \$10,000 to the
15 Spectrum.

16 Q. Okay, other than that \$10,000 deposit check, did you see
17 any other checks that came from Take Down Records that were
18 applied to this deposit?

19 A. No.

20 Q. If we could look at -- by the way, this chart is based on
21 documents that you reviewed, is it not?

22 A. Yes, that's correct.

23 Q. It doesn't reflect any money they may have made in cash,
24 does it?

25 A. I'm sorry, where would they have made money in cash?

Armstrong -Cross (War)

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1 Q. Look at Ech 429. See that?

2 A. Yes.

3 Q. What's that?

4 A. It's a Spring Hip Hop all access pass.

5 Q. All access pass. Do you know whether or not these were
6 sold?

7 A. I don't know if they were sold. I know it would be a
8 violation of the lease with the Spectrum.

9 Q. Okay.

10 A. I know they were given out as give-aways by the radio
11 station. I know the radio station took some as part of their
12 process.

13 Q. Do you know whether or not these items were sold by Alton
14 Coles and the people at Take Down Records?

15 A. No, I do not.

16 Q. Do you know how much, if any, they would have been sold
17 for?

18 A. No.

19 Q. Do you know how many people, if any, they might have sold
20 them to?

21 A. No, I don't.

22 Q. Do you know what an after party is?

23 A. Yes, I do.

24 Q. What's that?

25 A. An after party -- oh, an official after party is a party

Armstrong -Cross (War)

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1 after an event wherein one of the -- one or more of the
2 performers who were involved in the event appears at a
3 specific location for a period of time.

4 Q. Do you know whether or not there was an after party
5 following the event at the Spectrum?

6 A. Yeah, I believe there was.

7 Q. Do you know how much it cost to get in the after party?

8 A. \$20.

9 Q. Do you know how many people showed up for that?

10 A. How many people showed up? No.

11 Q. Do you know whether or not they paid cash to get into the
12 after party?

13 A. I don't know but I can answer that and say yeah, they
14 paid cash.

15 Q. Okay, is any cash revenue from the after party reflected
16 on your chart?

17 A. Well, if I wanted to get into the cash revenue I'd have
18 to get into the expenses associated with the after party.

19 Q. Well, what were they?

20 A. \$6500 to rent the -- I'm sorry -- the Venue, which was a
21 night club on Delaware Avenue.

22 Q. Which was what, what night club?

23 A. Evolutions.

24 Q. Evolutions. How big is Evolutions?

25 A. I've never been in there.

Armstrong -Cross (War)

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1 Q. Okay. How did you know that they spent \$6500 to rent it?

2 A. Contract.

3 Q. Okay. So it was \$6500 to rent Evolutions. What other
4 expenses?

5 A. There was \$5,000 in advertising from Power 99.

6 Q. Okay, any other expenses that you know of?

7 A. There are expenses that in the course of the
8 investigation and beginning to understand what an after party
9 is and how it works, there are other expenses associated with
10 putting on the after party; door counters, people, other
11 people involved, you have to pay disc jockeys, that sort of
12 thing.

13 Q. Do you know for a fact they had to pay disc jockeys at
14 this after party?

15 A. At this after party? No, I don't know that.

16 Q. Do you know for a fact they had to pay people at the door
17 of this after party?

18 A. I would say that if there's somebody collecting money for
19 Take Down at the door, they're being paid.

20 Q. Okay, do you know that for a fact?

21 A. No, I don't know that for a fact.

22 Q. And you have no idea how many people showed up?

23 A. That's correct.

24 Q. All right. Let's talk about -- talk about Government
25 Exhibit 750C, please. All right, and this is --

Armstrong -Cross (War)

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1 MR. WARREN: Could we blow up the, Agent Horay, the
2 top part which deals with revenue?

3 Q. All right, now, this is a chart that you prepared which
4 compares the revenues and expenses for Take Down Records,
5 right?

6 A. Yes.

7 Q. Is this the same --

8 A. Excuse me. I'm sorry, Mr. Warren. That's the revenue
9 expenses associated with the production of these DVD's and
10 CD's. Take Down had very many more expenses than are listed
11 here.

12 Q. Fair enough. With respect to the DVD's and the CD's,
13 these documents span the same time period as the ones you told
14 us about earlier?

15 A. Yes, that's correct.

16 Q. So this is basically -- you're putting this together
17 based on in part documents that were in the boxes that were
18 handed to you after they searched Springfield Avenue, right?

19 A. In part, yes.

20 Q. Okay. And some of the stuff you're subpoenaing actually
21 -- and a subpoena is a written piece of paper which directs
22 some third party to give documents to you guys, the
23 Government, right?

24 A. Correct.

25 Q. And so you send subpoenas out and they send stuff back to

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1 you, right?

2 A. Yes, that's correct.

3 Q. Okay. Now on a -- on the Take Down documents, it says
4 parenthetically search warrant, doesn't it?

5 A. Yes.

6 Q. Okay. So at least -- and this deals with the DVD sales
7 and the CD sales, right?

8 A. Yes.

9 Q. So these figures are based on -- is it basically five
10 documents that you found in the search warrant that this entry
11 is based on?

12 A. Yes and no. And I say yes and no because for instance,
13 the consignment list which is an actual list, a piece of
14 paper, that was -- there was also as part of that list or in
15 an envelope where that piece of paper was, a whole listing of
16 individual record stores who had taken -- that also appear on
17 the list. So there were -- so if a consignment list listed 15
18 different entries, there were within an envelope pieces of
19 paper, receipts from those entities.

20 So, in the sense that if that's one list, yes, you could
21 also call it 16 pieces of paper.

22 Q. Okay, the consignment list was 16 pieces of paper?

23 A. Well, the list was one piece of paper but it had other
24 pieces of paper that went into making the list obviously.

25 Q. Okay, the consignment sheet, how many pieces of paper was

1 this?

2 A. The sheet itself is one piece of paper. It was prepared
3 by somebody, not by myself.

4 Q. Was it handwritten?

5 A. Yes, it was.

6 Q. Okay. The Streets Inc. album list, what was that?

7 A. That was a -- that was again a handwritten piece of
8 paper.

9 Q. A handwritten piece of paper?

10 A. Yes.

11 Q. One sheet of paper?

12 A. Yes.

13 Q. DVD log, what was this?

14 A. That was a typewritten page.

15 Q. Single page?

16 A. Single page.

17 Q. All right. When you looked at the stuff that was seized
18 from Springfield Avenue, did you see any CD's in there?

19 A. I don't remember. I did see some either videos -- either
20 CD's, videos, from some parts of the search warrant. I can't
21 place them.

22 Q. Okay. Do you know what a mixed tape is?

23 A. Sort of.

24 Q. Tell me what your understanding is?

25 MR. LLORET: Objection, Your Honor.

1 THE COURT: Sustained.

2 Q. Did you see any records in there which indicated sales of
3 mixed tapes?

4 A. Records? Document records?

5 Q. Yes, handwritten, anything.

6 A. With -- coming out of Springfield?

7 Q. Yes.

8 A. No, not that I can recall.

9 Q. Compilation albums, same question, did you see any
10 records reflecting sales of a compilation album?

11 A. From Springfield?

12 Q. Right.

13 A. I believe that they're not noted as such but looking down
14 to some of those purchase and duplication costs, some of those
15 businesses did specifically mark that kind of stuff, what it
16 was from.

17 Q. Okay, but I'm talking about documents, handwritten,
18 typewritten, of whatever type which reflected sales of a
19 compilation album.

20 A. That specifically noted a compilation album?

21 Q. Yes.

22 A. No.

23 Q. Okay. See where it says vinyl CD sales?

24 A. Mhmm.

25 Q. Fourth line down, right?

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1 A. Yes.

2 Q. According to this document, Take Down Records for the
3 time period that you had the records for, made \$738 on CD
4 sales. Is that what this chart reflects?

5 A. That is listed as sales, yes, they may or may not have
6 sold some of those things which went out on consignment as
7 well.

8 Q. Okay. Are there any documents in there which reflected
9 sales of CD's on the street?

10 A. That specifically say albums went on the street to
11 individual A who's selling them on the corner?

12 Q. Mmhmm.

13 A. No.

14 Q. Okay, same thing with respect to the movie New Jack City:
15 Next Generation, any documents which might have reflected
16 sales of that video on the street?

17 A. Again, under those same terms, no.

18 Q. You also talked about advertising for Power 99, and you
19 said you did not include that -- or did you include that in
20 the expenses?

21 A. In this chart?

22 Q. Yes.

23 A. No.

24 Q. Okay. How much -- do you recall how much they paid in
25 advertising to Power 99?

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1 A. For what time period?

2 Q. For whatever time period you looked at.

3 A. Well, going specifically from the Power 99 records, which
4 were for '04 and '05, or that portion of '05 which is
5 relevant, there's just close to \$200,000.

6 Q. \$200,000. And these are advertisements for the parties,
7 right?

8 A. Yes, mostly.

9 Q. So they're spending 200,000 to advertise for the parties,
10 right?

11 A. Correct.

12 Q. But you told us on direct examination that you didn't
13 have sufficient documentation to determine how much money they
14 made from the parties, right?

15 A. No, I didn't say that.

16 Q. You didn't say -- I'm sorry, you said it was sketchy,
17 those were your words, right?

18 A. I used sketchy, but what I also said is they're not
19 complete. There are times when we have very good records
20 where I can make a determination, I believe in my opinion.
21 There are other times where the records are very limited and I
22 can say I don't know. I would have to interpolate.

23 Q. You're referring to records from Take Down, correct?

24 A. No, no.

25 Q. Didn't you guys subpoena records from the guy who runs

1 the Palmer Social Club?

2 A. Yes, we did.

3 Q. William Weiss, right?

4 A. Yes.

5 Q. And he produced what are called treasury reports, right?

6 A. Yes.

7 Q. And those treasury reports actually give you a basis to
8 at least figure out how many people were showing up at these
9 parties, right?

10 A. Well, based on the Palmer's records that you're talking
11 about, the figures -- and that includes the time period 2002
12 up until the beginning of 2003, they consistently noted -- and
13 I should explain the records.

14 There were a series of contracts signed between Take Down
15 and Palmer's, and they were typically a four-week period. And
16 each one of these contracts noted the expected number of
17 people who were expected to attend, and it was 400.

18 Q. The contracts noted the expected number of people who
19 were supposed to attend or the treasury reports reflected the
20 money that Palmer's had been paid?

21 A. The treasury reports reflect the rent received from Take
22 Down.

23 Q. Right. So, you -- based on those records -- well, let me
24 do it this way. How much rent would Take Down have to pay
25 Palmer's to host a party?

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1 A. Depends when. If you want to speak of a time when we
2 actually have very good records which is a six-week period
3 starting just after the, just after the Spectrum concert, they
4 were paying -- they were paying Palmer's \$4,000 a week, they
5 were paying Power 99 \$3500 a week. They had a Power 99
6 personality there who they were paying \$400 a week.

7 Q. Did you --

8 A. Based also on the Palmer's records, there were three disc
9 jockeys who had to be paid.

10 Q. Did you get records, treasury reports from Palmer's for
11 each month between April 2002 and September 2005?

12 A. I'm not sure of the time frame.

13 Q. You're not sure of the time frame?

14 A. Right. We did receive some treasury reports which noted
15 what's noted on the reports as other income.

16 Q. Yes. These treasury reports, basically Palmer's a social
17 club, right?

18 A. Yes.

19 Q. And the treasury report is simply a document that the
20 treasurer prepared to show the other people how much money
21 they were making, right?

22 A. How much money's coming in, right.

23 Q. And the actual deal between Palmer's and Take Down, rent
24 would be paid based on how many people showed up, right?

25 A. That is in a handwritten note in the documents, yes.

Armstrong -Cross (War)

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1 Q. Okay. And, if there were 600 people or less, Palmer's
2 got \$2,000, right?

3 A. Correct.

4 Q. And the treasury report would then reflect \$2,000 in
5 income, right?

6 A. Correct.

7 Q. So you could look at the treasury report and figure how
8 many people showed up for that particular month, right?

9 A. Assuming the report is correct.

10 Q. Do you have any reason to doubt its accuracy?

11 A. Yes.

12 Q. Okay, what's that?

13 A. The -- I know of an unrelated ongoing grand jury
14 investigation concerning people at Palmer's.

15 Q. All right. Well, you think they're understating the
16 amount of money they made?

17 MR. WARREN: I'll skip this, Judge. I won't go into
18 unrelated ongoing grand jury investigations.

19 THE COURT: Move on.

20 Q. All right, well, 600 people or less, \$2,000, right?

21 A. That's correct.

22 Q. Between 600 and 799 people, the rent down right, 1500
23 bucks?

24 A. Correct.

25 Q. And if there were more than 800 people there was no rent,

1 right?

2 A. That's correct.

3 Q. All right. And this deal went on for over three years,
4 didn't it?

5 A. I believe so, yes.

6 Q. And on a consistent basis they go between four and six
7 hundred people to show up on these parties weekly, didn't
8 they?

9 A. Well, you're asking me where that number comes from?

10 Q. I'm just asking you based on your investigation, you
11 subpoenaed the records, you looked at the treasury reports,
12 didn't you?

13 A. That's not coming from the records. I know where the
14 figure's coming from if you'd like to tell you, I'd be glad to
15 tell you. That's what Weiss told us.

16 Q. Okay. You looked at the treasury records, didn't you?

17 A. Yes.

18 Q. You had them all for that three-year time period, right?

19 A. Yes.

20 Q. Okay. What did they reflect?

21 A. They reflect frankly -- I don't believe there was ever,
22 it ever went over 800 in terms of there was never -- there was
23 never no payment. The majority of the time was 2,000, a
24 smaller amount, smaller number of time it was 1500.

25 Q. Okay. Which means if it's 2,000, that means how many

Armstrong -Cross (War)

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1 people had to show up to the party, between 400 and 600,
2 right?

3 A. That would be for rent. There's also the advertising
4 which is a similar amount, it's another 2,000.

5 Q. Do the treasury reports reflect the amount spent on
6 advertising?

7 A. No, they do not.

8 Q. Do the treasury reports reflect the amount spent on disc
9 jockeys?

10 A. No, they do not.

11 Q. All right. Those would be the Power 99 records for
12 advertising that you're referring to?

13 A. Yes.

14 Q. Okay. And what records did you look at to determine what
15 they paid disc jockeys?

16 A. What records?

17 Q. Yes.

18 A. There were some Power 99 records which note when there
19 was a Power 99 disc jockey there.

20 Q. Was there a Power 99 disc jockey there all the time?

21 A. No.

22 Q. All right. 701F. Now this is just a chart of deposits
23 going into a bank account for Kristina Latney, right?

24 A. Yes, that's correct.

25 Q. 701G just reflects amounts paid out of that same account?

Armstrong - Cross (McM)

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1 A. Correct.

2 Q. 701H, amounts paid out of that same account?

3 A. Correct.

4 Q. Amounts paid to make the monthly payment for a Mercedes,
5 correct?

6 A. Yes, 701G.

7 Q. Amounts paid to make the monthly payment for a 2002
8 Escalade, right?

9 A. Correct.

10 Q. All right. So these deposits are consistent with
11 somebody making the monthly payments on two cars, right?

12 A. Yes, that's exactly what they are.

13 MR. WARREN: Court's indulgence.

14 (Pause)

15 MR. WARREN: Nothing further.

16 THE COURT: Okay, ladies and gentlemen, it's 11:15.
17 We're going to take a brief recess, go out and relax for ten
18 minutes, we'll bring you back in ten minutes.

19 (Off the record at 11:15 a.m.)

20 (On the record at 11:30 a.m.; jury present)

21 THE CLERK: Please rise.

22 THE COURT: Okay, have a seat. Mr. McMahon.

23 CROSS-EXAMINATION

24 BY MR. McMAHON:

25 Q. Good morning, Agent.

Armstrong - Cross (McM)

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1 A. Good morning, sir.

2 Q. And this is your testimony then regarding your economic
3 analysis of Take Down Records and the charts and the whatnot
4 that you're prepared. And correct me if I'm wrong, and I'm
5 sure you will, and that is that the record -- this wasn't like
6 going into IBM where the records are all crystal clear and all
7 the expenditures and they had accountants doing them and you
8 could review the records in a pretty rational way, is that
9 fair to say?

10 A. The records were not up to IBM standards, right.

11 Q. Right. They were -- you had to like piece them together,
12 find something here, find something there, a contract here,
13 and through your expertise and skill you were able to put
14 together as best you could the document that we've seen here
15 today, correct?

16 A. Correct.

17 Q. But you would agree with me then that the record keeping
18 process and whatnot of Take Down Records was not the best?

19 A. Not the best, not the worst.

20 Q. Okay. Did it appear to you that -- as if there was any -
21 - in Take Down Records, any outside accounting, like an
22 accounting firm or accounting business that kept the ledgers
23 and books and whatnot that many businesses do, was there any
24 recordation of that?

25 A. No, I believe Donald Brown was brought in to do that, but

Armstrong - Cross (McM)

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1 that didn't pan out, so no, I didn't see any other indication.

2 Q. Okay, so it appeared to be done internally by the fellows
3 that did Take Down Records, correct?

4 A. Yes.

5 Q. And as you said, it was record keeping that was in a
6 little bit of a disarray, correct?

7 A. Correct.

8 Q. Okay. Now, and the records that -- and the charts that
9 you prepared were, as best you could put in together that
10 disarray, correct?

11 THE COURT: Mr. McMahon, you've already asked that
12 question.

13 MR. MC MAHON: Okay, fine, Your Honor.

14 BY MR. MC MAHON:

15 Q. Now, in looking at my client, Mr. Baukman, you prepared
16 various charts in relationship to him. And you looked at one,
17 704B, do you have them up there with you?

18 A. Yes, I do.

19 Q. 704B, 704C, D, and E all deal with charts and analyses
20 that you did regarding Mr. Baukman, correct?

21 A. Correct.

22 Q. Okay. And in looking at -- first of all, let's look at
23 704B.

24 MR. MC MAHON: And if we could have that on the
25 screen at the time.

Armstrong - Cross (McM)

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1 Q. And this 704B is your chart that indicates an analysis of
2 the Wachovia Bank account with the bank account as listed
3 there, correct?

4 A. Correct.

5 Q. And you did it for years 201 through 205 after the --
6 well, you did it through 201 through 205, correct?

7 A. Yes, the account was opened in 201, actually did it from
8 the beginning of the account.

9 Q. Okay. And my understanding is the name on this is
10 Tauheed Baukman, correct?

11 A. Correct.

12 Q. And the address that was given as to the address on the
13 account is in fact the address where my client lived, correct?

14 A. I'm sorry, Mr. McMahon, I don't remember, the address on
15 from the account. There are records in the courtroom that I
16 can look at.

17 MR. MC MAHON: We can get to that, Your Honor, I'll
18 get back to that, not to interrupt.

19 THE COURT: All right.

20 BY MR. MC MAHON:

21 Q. But there was an address associated with that account,
22 correct?

23 A. Correct.

24 Q. You need an address to open up a bank account, correct,
25 or most of the times, but in this case it had one, correct?

Armstrong - Cross (McM)

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1 A. It had an address.

2 Q. And the name was Baukman, which is my client's last name
3 but obviously the name that was used as his first name is not
4 his first name, and in fact through the course of
5 investigation it appears to be his son's name, correct?

6 A. Correct.

7 Q. Okay. Now, and this was the only bank account that you
8 analyzed in regard to Mr. Baukman, is that correct?

9 A. Yes, that's correct.

10 Q. Okay. And all the records that you talk about are
11 reflective out of that one account, that is the payments in
12 and the payments out of that account, is that fair to say?

13 A. Yes, it is.

14 Q. All right. Now you said yesterday -- and when you were
15 looking at the big chart, the one with Mr. Coles which is the
16 750D, you made a statement yesterday when we saw cash and
17 whatnot you wouldn't put -- in this particular one --

18 MR. MC MAHON: If you can pull that one up, 750D.

19 Q. There was the Citizens Bank with Alton Coles, the one
20 that's his personal account, correct?

21 A. Correct.

22 Q. And that's the one with his picture on it, right?

23 A. Yes.

24 Q. And one of the things you said yesterday was that
25 deposits of monies like this would go into the Take Down

1 Limited and be transferred to his personal account, the cash
2 monies wouldn't be given directly into his account, correct?

3 A. Except for those three deposits at the bottom of the
4 thing but --

5 Q. At the bottom, but you said --

6 A. Outside of that, correct.

7 Q. And yesterday when Mr. Lloret was asking you questions,
8 one of the things you said on your direct examination
9 yesterday is that in this type of work based on your
10 experience, cash payments into a direct personal account when
11 there's money laundering going on, they just don't do that,
12 correct?

13 A. No, that's not correct. I didn't say they just don't do
14 that. I said it's inherently more suspicious.

15 Q. Okay. Inherently more suspicious to deposit cash into
16 your personal account, correct?

17 A. Correct.

18 Q. And in fact, that's what you made some of your opinions
19 on yesterday that money was put into a company, which is Take
20 Down, and then checks were moved out of Take Down into a
21 personal account, correct?

22 A. Correct.

23 Q. Therefore, the cash that may have been put into Take Down
24 gets transferred into a personal account, and it might not
25 look like cash, it maybe look like business account checks,

1 correct?

2 A. Yes, that's correct.

3 Q. Okay. And that's what you were saying yesterday, right?

4 Whereas if all that cash is put into a private account, a
5 personal account, it may raise a suspicion, correct?

6 A. Yes, that's correct.

7 Q. Okay. Now, let's look at Mr. Baukman, and we go back to
8 704B if we don't mind.

9 MR. MC MAHON: And if we could blow up that so that
10 it could be seen a little bit better.

11 Q. 704B is a summary, is it not, that you prepared of an
12 analysis of that one bank account that's on the top, correct?

13 A. Correct. There's summary deposits by year.

14 Q. Yes, that's what I meant, right, summary deposits. Now,
15 this is a personal account, correct?

16 A. Yes, it is.

17 Q. That's what we were talking about here with Mr. Coles,
18 that was a personal account, right? The one that's listed on
19 your chart as account 610433-826, that was a personal account?

20 A. That's a personal account, this is a personal account of
21 somebody who's not the person making the transaction. There's
22 difference.

23 Q. This is not a corporate account, this is not a business
24 account. This is a individual's account, correct?

25 A. Correct.

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1 Q. With the name Baukman and the address that he lived at,
2 correct?

3 A. The name Baukman and the address --

4 Q. We'll get to that.

5 A. But it went to an address where he had access, sure.

6 Q. So what I'm saying to you is this was a personal account,
7 right?

8 A. Yes, it was a personal account.

9 Q. It was not a business account?

10 A. Correct.

11 Q. And this business account, in looking at this business
12 account in your summary, and -- not business account, personal
13 account, in a summary, we had, over the four years you
14 analyzed it, \$155,115 of cash put into a personal account,
15 right?

16 A. Correct.

17 Q. Now that didn't take from Take Down Records, did it?

18 A. Did it flow through Take Down Records?

19 Q. No, I mean --

20 A. No --

21 THE COURT: Mr. McMahon, let him answer the
22 question.

23 MR. MC MAHON: I hadn't finished the question, Your
24 Honor. I understand.

25 THE COURT: Rephrase your question and start over.

Armstrong - Cross (McM)

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1 MR. MC MAHON: I will do that.

2 BY MR. MC MAHON:

3 Q. Into Mr. Coles's account, or this account here, money
4 came through Take Down that got into his personal account,
5 correct?

6 A. That's correct.

7 Q. Okay. Now, in this situation with Mr. Baukman in this
8 account, money didn't come -- well, there's a couple, but
9 mostly this cash came directly into that account. It didn't
10 come through Take Down, it didn't have that process that you
11 displayed here coming into Mr. Baukman's account, did it?

12 A. No, that's correct.

13 Q. Okay. And when we look at the cash amount, you did this
14 analysis for five years. So we have five years of cash being
15 deposited into that account at 155,000 and some change, so
16 that's about an average over the five years of approximately
17 \$30,000 a year cash going into that account, is that fair to
18 say?

19 A. If you consider over the five-year period -- I mean over
20 the whole period but there's very little in '01 so I really
21 wouldn't even include it in the average --

22 Q. Well, if I'm not mistaken, that's why it's called
23 average, okay?

24 A. Sure.

25 Q. That's what I'm saying to you, right, an average, right?

Armstrong - Cross (McM)

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1 A. I understand.

2 MR. LLORET: Objection. Is that a question, Your
3 Honor?

4 MR. MC MAHON: Well, my question was --

5 THE COURT: Mr. McMahon, just ask questions.

6 MR. MC MAHON: Well, Judge, I mean I asked a
7 question --

8 THE COURT: Mr. McMahon, just ask questions.

9 MR. MC MAHON: Well, I'm going to ask it again.

10 THE COURT: Mr. McMahon, come to sidebar.

11 (The following discussion was held at sidebar:)

12 THE COURT: Mr. McMahon, you better knock it off.

13 MR. MC MAHON: Judge --

14 THE COURT: Do you hear me?

15 MR. MC MAHON: I hear what you're saying but I want
16 to put something on the record here. I ask him a question and
17 he proceeds to give an answer and I'm not allowed to go back
18 at him with that?

19 THE COURT: Mr. McMahon, you will not give him a
20 chance to do anything. The questions go on and on and on, and
21 when he tries to answer them, you keep --

22 MR. MC MAHON: When I ask a question --

23 THE COURT: Mr. McMahon --

24 MR. MC MAHON: -- and he says, gives the answer that
25 he gives, that's not an accurate answer.

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1 THE COURT: You now have a question, you've been
2 around here long enough --

3 MR. MC MAHON: I know that, Judge.

4 THE COURT: Okay.

5 (End of sidebar discussion)

6 BY MR. MC MAHON:

7 Q. Now, you would agree with me that there's an average of
8 approximately \$30,000, is that fair to say, over the five
9 years?

10 A. Yes, I'm just doing the math. Yes.

11 Q. Okay. And Take Down was started when, as far as your
12 knowledge? I think you said December 1st of '01 it was
13 incorporated, correct?

14 A. I didn't give an exact date. I said it started -- it
15 began in early '02, perhaps as early as like December of '01,
16 when it was incorporated.

17 Q. And looking at the bank account records of Mr. Baukman as
18 they reflect here, when Take Down started '01, '02, as you
19 indicate in the first year in that account there's only \$6,000
20 totally put into that account, correct?

21 A. That's correct.

22 Q. And then we have Take Down is started at some point in
23 time in there, and I don't know the exact date, then the
24 income of Mr. Baukman, as far as deposited into that account,
25 begins to go up shortly after Take Down is started, is that

Armstrong - Cross (McM)

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1 correct?

2 A. There are more deposits in '02.

3 Q. Right. And then as Take Down continues on, from 202 to
4 203, the total deposits then again increases almost \$30,000,
5 correct?

6 A. Yes, from '02 to '03 there's approximately 30,000 more in
7 deposits. From '03 to '04 it's kind of about the same.

8 Q. Yes, that's what I said, '03 and then to '04 it goes up
9 just a little bit, just about a thousand dollars or so,
10 correct?

11 A. Correct.

12 Q. Okay. So after Take Down was formulated, Mr. Baukman's
13 account proceeded to get more deposits over the time that Take
14 Down was in operation, is that fair to say?

15 A. Yes, that's fair to say.

16 Q. Okay. Now, you indicated that one of the things that you
17 tend to see in your expertise is that money, when there's
18 money laundering, will go in and that exact amount will
19 generally just go out, for some expense? For example, if I'm
20 buying a house or something and I'm going to put -- I put
21 \$20,000 in of illegal money and then I write a check for
22 \$20,000 out, right?

23 A. I said basically, I said there's no accumulation of funds
24 in the account. Pretty much what goes in tends to come out,
25 over a reasonable period of time.

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1 Q. Okay. All right. So there's on accumulation of funds,
2 okay. Let's take for example the year 2003, okay? 2003, we
3 have a total amount of 67,131, and most of it, the bulk of
4 it's cash, 63,9, right?

5 A. Correct.

6 Q. Now, you also look at 704C, D and E, these were the three
7 charts that you prepared. Okay?

8 A. Mmhmm.

9 Q. As far as monies going out, you said there's no
10 accumulation in money laundering generally speaking. Now, if
11 you look at these, the Jaguar for example. The Jaguar's 580
12 to 600 depending upon what month, maybe late fees or whatever,
13 but let's just figure 600 for argument's sake, okay?

14 A. Okay.

15 Q. Okay. Now 600 times 12 would be \$7200 a year, correct?

16 A. Correct.

17 Q. And he had that car in the year 2003, that's what I'm
18 referring to, okay?

19 A. That's correct.

20 Q. Okay. So then you have the -- that's one chart that you
21 have. Then you have the chart of \$500 for Essex Avenue, \$500,
22 so that's about \$6,000, correct?

23 A. Correct.

24 Q. Over 12 months, right?

25 A. Yes.

Armstrong - Cross (McM)

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1 Q. And then you have the payments on the Jaguar, which is,
2 varies too, but using 1800 which I did as kind of just a
3 general reference there, that comes out to about -- or I'm not
4 talking about the Jaguar, I'm talking about Schoolhouse Lane.
5 Schoolhouse Lane is around 1800, in that area, give or take,
6 correct?

7 A. Correct.

8 Q. Okay. That comes out to about 21,600, okay. Now, and
9 that's the checks that you marked for, for 203 and 204 and you
10 talked about money goes in and money goes out and there's no
11 accumulation when there's money laundering. Well, if you take
12 21,6 and 7200 and 6,000, you get about \$34,800 of chart money
13 that you say went out, correct?

14 A. Correct, I'll assume the math.

15 Q. Now if you look for that year, then 200 and 2003, \$67,000
16 was put into that account, right?

17 A. Correct.

18 Q. Okay. So that's 30 -- of the monies that you said went
19 out, that you reflected on as part of the money laundering, it
20 was \$33,000 that is not reflected on the charts that you said
21 went out, right?

22 A. Correct, roughly.

23 Q. That would be what, accumulation of some money into that
24 account?

25 A. No.

Armstrong - Cross (McM)

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1 Q. It wouldn't?

2 A. No.

3 Q. Why not?

4 A. The money was being used for things other than these
5 three items.

6 Q. Okay, they were used for other things, right?

7 A. Yes.

8 Q. So money went out for those three things but there was
9 other monies left in there, correct?

10 A. That's correct, that was used for other things, yes.

11 Q. Right. Do you know what those things were?

12 A. No, I can look but in my review they didn't strike me as
13 anything other than average, normal kind of stuff.

14 Q. Normal everyday stuff?

15 A. Yeah.

16 Q. But what I'm saying to you is, the money that was
17 deposited there wasn't just solely for those three things,
18 correct?

19 A. That's correct.

20 Q. Okay. And the same could be true for 204 also, when
21 there's the similar analysis could be made there also,
22 correct?

23 A. Yeah, I believe that's correct.

24 Q. Okay. And these checks were checks that -- on these
25 charts were checks that you were able to obtain merely by

Armstrong - Cross (McM)

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1 subpoenaing the records, correct?

2 A. Correct.

3 Q. Okay. And if we look at the year of -- over the course
4 of and total amount of money over a five-year period of time,
5 on the average of the money that was deposited into my
6 client's account, Mr. Baukman, or in the name Tauheed Baukman,
7 is 202,000 divided by five or somewhere about \$40,000 a year
8 as being put into this account, correct? On an average.

9 A. Correct.

10 Q. Okay. And now, when the raid was made in August 10th and
11 you got involved at that point in time, you then started to
12 look into these records, correct?

13 A. Correct.

14 Q. And did you have opportunity to look at my client's, this
15 account at the time of the raid, how much money he had?

16 A. At the time of the raid did I have --

17 Q. Or shortly thereafter, after you got involved.

18 A. Did I have the records of this account at the time of the
19 raid, is that your question?

20 Q. Or after, you got involved later. Did you determine --
21 let's make it a more simple question. Did you determine
22 later, after you got involved in the case, did you determine
23 how much money as of the time of the raid my client had in
24 that Wachovia Bank account?

25 A. I never -- I never looked at that. It's there, it's in

Armstrong - Cross (McM)

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1 the records. I can -- but I never noted on August 10th how
2 much money was in the account.

3 Q. Okay. But did you have those records from August the
4 10th on?

5 A. Did I obtain them from the bank? I'm sorry, I'm not sure
6 of the question.

7 Q. Did you obtain the records of that bank account for
8 August, September, October, November, December?

9 A. Yes.

10 Q. Okay.

11 A. Let me backtrack. At some point, the subpoena was cut
12 off, the time frame on the subpoena was cut off. It would
13 have been -- it would have been generally in that time frame.
14 So at some point there are no -- I do not have records of that
15 account from certainly not now --

16 Q. I understand that.

17 A. At some point the records supplied were cut off.

18 Q. Okay. I'm only really concerned about from August,
19 September, October, that relevant period of time after the
20 raids, okay?

21 A. And that I'm not totally sure where the records cut off.

22 Q. Okay, all right. So you don't know, either from your own
23 record -- looking at the records, that in fact at that time my
24 client's account was in overdraft status?

25 A. No, I don't know that.

Armstrong - Cross (McM)

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1 Q. All right. Now, as far as money being used for other
2 things, we obviously see there was a surplus other than the
3 checks that you indicated here, correct, in your analysis
4 reflected by the Government, correct?

5 A. Correct, yes.

6 Q. And were there checks written for various things on that
7 account?

8 A. It's my recollection.

9 Q. Yes. And there were also -- did you determine that in
10 fact there was a debit card used like a check card that's used
11 off of that account, were you able to see that from the
12 records, that many of the purchases such as maybe an airline
13 ticket or anything was used as a debit card?

14 A. I don't remember, Mr. McMahon.

15 Q. And as you sit there today, you don't recall what those
16 other expenditures were that would, you know, in those two
17 years, 203, 204, would be in the area of 33, \$34,000, you
18 wouldn't know?

19 A. That's correct.

20 Q. You don't know, okay. Now, did you ever, in this
21 particular case, you were asked a question that putting the
22 name in your son's name or Tauheed Baukman doesn't help you at
23 all, do you remember that line of questioning with regards to
24 credit or credit; is that what you remember testifying about?

25 A. Yes.

Armstrong - Cross (McM)

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1 Q. Okay. Well, in this particular case, when my client was
2 arrested, did you know that he had a wallet?

3 A. No, I don't know. I could assume that he had a wallet.

4 Q. Did you check in your analysis, economic analysis of Mr.
5 Baukman, did you check whether he had any credit cards in his
6 name, not Tauheed Baukman, Timothy Baukman?

7 A. I reviewed the search warrant documents. That's
8 typically something that gets photocopied or taken. And I
9 have no recollection of seeing any.

10 Q. What, you have no recollection of what?

11 A. Of seeing either photocopies of credit cards or actual
12 credit cards from -- in Mr. Baukman's name?

13 Q. You're not saying it didn't exist. You just don't recall
14 seeing it, is that fair to say?

15 A. That's what I'm saying.

16 Q. Well, let me ask you this. As far as obtaining credit,
17 if the credit card or whatnot is obtained in the name of
18 Tauheed Baukman, okay, with that Social Security number which
19 is his child's, okay, and a credit card is issued in that
20 name. It's obviously not Tim Baukman's name, it's his name
21 son, Tauheed Baukman's name, correct?

22 A. Correct.

23 Q. Okay. And a credit card comes in that name. And after
24 awhile in that credit card, in the credit card business, you
25 can add another person onto that account, can you not, say

Armstrong - Cross (McM)

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1 look, another authorized purchaser, correct?

2 A. That's correct.

3 Q. So Tauheed Baukman can get a credit card based on that
4 Social Security number, and then later on Timothy Baukman
5 could add his name as an authorized purchaser on that credit
6 card and get a credit card in his name, Timothy Baukman,
7 correct?

8 A. As a sub-account of the primary account holder, yes.

9 Q. Right.

10 A. I mean that's --

11 Q. That could be done, right?

12 A. It can be done. It doesn't do much for your credit.

13 Q. Well, it would get him credit, would it not? He would
14 have a credit card --

15 A. He would --

16 Q. Wait. Can I --

17 THE COURT: Yes, indeed.

18 THE WITNESS: I'm sorry.

19 Q. He would then have a credit card in his wallet if he did
20 this with his name, Timothy Baukman, giving him credit under
21 Visa or MasterCard or whatever that credit card was, is that
22 correct?

23 A. Yes, that's correct.

24 Q. Okay. Now you indicated as to Take Down Records, any
25 consignment, you looked at consignments of these CD's out into

Armstrong - Cross (Pow)

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1 the Philadelphia area, correct?

2 A. I looked at the records that were seized from Take Down,
3 and that's where the consignment -- the records associated
4 with the consignment came from.

5 Q. Are you aware of any, in your analysis of the records,
6 were there any consignments into the Bronx, New York, or even
7 down into Baltimore, Maryland or anything of the sort?

8 A. The majority of them were local. There were some which
9 didn't strike me on the face of it that they weren't familiar
10 to me. I don't know where they were from.

11 Q. Okay. Okay.

12 MR. MC MAHON: Thank you, Your Honor. I have no
13 other questions.

14 MR. POWELL: Just a few, Judge, if I might.

15 THE COURT: All right.

16 CROSS-EXAMINATION

17 BY MR. POWELL:

18 Q. Good morning, sir.

19 A. Good morning.

20 Q. Do you still have the Exhibits 760B through E with you
21 there at the --

22 A. No, I don't.

23 Q. Okay.

24 MR. POWELL: May I approach for just a moment,
25 Judge?

Armstrong - Cross (Pow)

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1 THE COURT: Yes, indeed.

2 Q. I'm going to show you copy of these documents, Government
3 Exhibit 760B through E.

4 A. Thank you.

5 Q. Are those copies of the tax returns for James Morris?

6 A. Yes, 2002, 3, 4, and 5.

7 Q. Okay. 760E, is that the 2005 return?

8 A. Yes, it is.

9 Q. Okay. Let me ask you generally about the returns in
10 general. That document that you have in front of you is a
11 1040 form, is that correct?

12 A. Correct.

13 Q. And that's the standardized form that individuals are
14 required to file each year to indicate to the Government their
15 earnings for the year?

16 A. Correct.

17 Q. For purposes of having the Government determine whether
18 or not there's any tax liability or if there is something that
19 should be returned to persons who have overpaid the required
20 amount of taxes?

21 A. That's correct.

22 Q. Okay. Now that appears to be a two-page document
23 generally other than any schedules which would otherwise be
24 attached to it?

25 A. Yes, in the original it's actually one page on both

1 sides, yes.

2 Q. On the back of the original form of the second form of
3 the copy that you have there, at the bottom there's a place
4 for the person who is the individual who is named on the form
5 to sign, is that correct?

6 A. Correct.

7 Q. And above the signature there also appears a
8 certification, is that accurate?

9 A. That's accurate.

10 Q. And the certification basically provides that the person
11 who is the taxpayer certifies that the information contained
12 on the form is true to the best of his knowledge and
13 information subject to the penalties of perjury if he
14 willfully misrepresents that information, correct?

15 A. That's correct.

16 Q. Now, included on that form besides the financial
17 information is other demographic information, correct?

18 A. Demographic information?

19 Q. Sure. Name, rank and serial number type information.

20 A. Sure.

21 Q. And the individual, the taxpayer, also under the same
22 penalties of perjury is required to make sure that that
23 information is accurate, is he not?

24 A. If it's filled in under the jurat as part of that
25 section, yes.

Armstrong - Cross (Pow)

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1 Q. Okay. On the front of that document that you're looking
2 at now is the address for Mr. Morris, is that correct?

3 A. Yes, that's correct.

4 Q. And his address on the 2005, which is the return prepared
5 on April 14th, 2006, is 302 East Broadway, correct?

6 A. That's the address.

7 Q. And consistently, for all of the returns that you have
8 for Mr. Morris from 2002 through 2005, his address is always
9 302 East Broadway, Salem, New Jersey, is that correct?

10 A. That's the mailing address, yes.

11 Q. Well, that's the address that he's required if he resides
12 at that address to report to the Internal Revenue Service,
13 isn't it?

14 A. No, that's not true.

15 Q. Okay. Can you tell me then why there's a space there on
16 the document for an address and why it's required that one
17 certified that the information on the document is accurate?

18 A. That's a mailing address. People use post office boxes
19 for their mailing address with the IRS. That -- that's not an
20 indicator. I guess your question was residence. That's just
21 a mailing address. That's all it is.

22 Q. Okay, I got you, that's fine. That's not a P.O. Box
23 address, is it?

24 A. This one is not, no.

25 Q. It's a physical address, isn't it?

Armstrong - Cross (Smi)

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1 A. Yes, it is.

2 Q. And a physical address consistently from 2002 through
3 2005 is 302 East Broadway, Salem, New Jersey?

4 A. Yes, that's true.

5 Q. And no other address?

6 A. That's true.

7 Q. Okay.

8 MR. POWELL: That's all I have, Judge.

9 MR. HARMELIN: No questions.

10 CROSS-EXAMINATION

11 BY MR. SMITH:

12 Q. Good morning.

13 A. Good morning.

14 Q. I don't have too many questions for you but I'll try to
15 keep it brief.

16 You analyzed the records for, on this chart here, I think
17 it was 750D, that's just for the year 2005, is that correct?

18 A. I'm sorry, did I just analyze the records for 2005?

19 A. Or did you analyze records from before then for deposits
20 and withdrawals and bank accounts?

21 A. Yes.

22 Q. But the records which are reflected on 750D which we put
23 on the screen, that's just for the year 2005, would that be
24 accurate?

25 A. That time period that's noted in the chart, correct.

Armstrong - Cross (Smi)

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1 Q. And this has -- basically it deals with the property on
2 117 Dillion's Lane, is that a fair statement?

3 A. Yes. The only things that appear here are things which
4 are relevant to Dillion's Lane.

5 Q. And you would agree with me that on the -- and I think
6 you indicated early on in your testimony that you examined not
7 hundreds but up to thousands of bank documents for your
8 investigation in this area?

9 A. I don't think that I said that, but that would be
10 accurate.

11 Q. Okay. And among those documents that you examined, did
12 you examine deposit slips?

13 A. Yes.

14 Q. And would you agree with me the deposit slips were pretty
15 much consistent with the person who made the deposits?

16 A. Generally, yes.

17 Q. And who made the deposits based upon your examination?

18 A. Which ones?

19 Q. On any of these accounts.

20 A. I started off -- I started off looking at the PNC Bank
21 account, so.

22 Q. Okay.

23 A. And if I could look at the chart that shows all of the
24 deposits just so I can differentiate between those two things.

25 Q. Sure.

Armstrong - Cross (Smi)

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1 (Pause)

2 A. Okay. The first PNC deposit at the Tabor Road office,
3 the bank was not able to provide a deposit slip for that.
4 They had a -- in essence they lost it or they misfiled it.
5 They provided other documents which showed that that was a
6 cash deposit.

7 Q. Okay.

8 A. The second deposit --

9 Q. Before you go further, does it show who made the deposit,
10 or you were unable to determine who made the deposit based
11 upon that part of your investigation?

12 A. Yes, that's what I said.

13 Q. Okay.

14 A. The second deposit was made by Asya Richardson.

15 Q. And how much was that for?

16 A. 9200.

17 Q. She made that?

18 A. Yes.

19 Q. And that's in her name?

20 A. Her name was written in on the deposit slip. It appeared
21 to me to be her handwriting based on --

22 Q. Okay. Do you have that document with you?

23 A. It's in the courthouse. I mean it's in the courtroom,
24 yes.

25 Q. Can we see that as opposed to -- is that among the

Armstrong - Cross (Smi)

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1 exhibits?

2 A. It's not scanned exhibit. I have the physical document
3 in one of those boxes. I could get it.

4 Q. Okay. And how about the deposits for Citizens Bank on
5 the far left, who made those, sir?

6 A. The Citizens Bank deposits?

7 Q. Yes.

8 A. I believe they were made by Coles.

9 Q. And how about the one next -- on both of them, is that
10 correct?

11 A. Yes.

12 Q. How about Wachovia, sir?

13 A. Wachovia, the deposit slips were signed Naseem Coles. My
14 assumption is that was Alton Coles making those deposits.

15 Q. That's your best guess?

16 A. Yes, that's right.

17 MR. LLORET: Objection, Your Honor. We're not
18 asking guesses.

19 MR. SMITH: Well, this is cross and I can ask him
20 that, Your Honor.

21 THE COURT: You can ask him whether he knows,
22 counsel.

23 BY MR. SMITH:

24 Q. Do you know, sir?

25 A. Do I -- the name was -- the name that was written in was

Armstrong - Cross (Smi)

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1 Naseem Coles.

2 Q. Now you indicated also -- checked into the Metro Auto
3 Sales as part of your investigation?

4 A. Yes.

5 Q. And you would agree with me that there was no records and
6 no information regarding Asya Richardson, is that correct,
7 sir?

8 A. That's correct.

9 Q. And the tax returns, did you examine any tax returns -- I
10 think you indicated everybody's tax returns that you examined.
11 Were there other people that you haven't mentioned today?

12 A. I'm sorry?

13 Q. Were there other people that, other individual's tax
14 returns who are in this courtroom today examined other than
15 the ones you mentioned?

16 A. I believe not.

17 Q. Okay. Did you have the opportunity during your -- by the
18 way, how long was your -- is your investigation still ongoing,
19 sir?

20 A. My investigation in this case, no, it's not.

21 Q. Okay. How long did your investigation take?

22 A. How long did it take? I would say the investigative
23 phase of it began in December of '05 during the wiretap and
24 effectively ended at the date of the fifth superseding
25 indictment.

Armstrong - Cross (Smi)

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1 Q. Okay. And did you have the opportunity to look at any
2 videos in any of these banks as to made the deposits, whether
3 it be the PNC Bank, or Citizens Bank, to see who the actual
4 depositor was, sir?

5 A. No, I did not.

6 Q. That was available to you, is that correct?

7 A. It's hit or miss.

8 Q. Well, did you make an attempt, sir?

9 A. No, I didn't.

10 Q. So you don't know if it was a hit or miss, do you?

11 A. It was a hit or miss. I don't know if it would have been
12 a hit.

13 Q. But you never made an attempt?

14 A. That's correct, that's what I said.

15 Q. Thank you.

16 MR. SMITH: Now, just a few more questions, if you
17 give me a second, please.

18 (Pause)

19 MR. SMITH: That's it. Thank you. Thank you, Your
20 Honor.

21 BY MR. SMITH:

22 Q. Oh, by the way, did you have the opportunity to hear the
23 wire intercepts earlier in this case? You were sitting here
24 during --

25 A. They were -- I heard -- no, I did not hear all of them.

Armstrong - Cross (Het)

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1 I heard a good number of them.

2 Q. Did you hear the ones dealing between Asya Richardson and
3 Alton Coles?

4 A. If they were played in one block. I heard one block of
5 Richardson and Coles.

6 Q. Would you agree with me, sir, that Mr. Coles pretty much
7 was in control of any and all of these accounts that have been
8 listed up here, is?

9 A. No.

10 Q. Oh, you wouldn't agree with that?

11 A. No, I wouldn't.

12 Q. Okay, thank you, sir.

13 MR. HETZNECKER: May I, Judge?

14 THE COURT: Yes.

15 CROSS-EXAMINATION

16 BY MR. HETZNECKER:

17 Q. Good afternoon, Agent.

18 A. Good afternoon.

19 Q. Just a few questions. If you're looking -- I don't know
20 if you have the documents in front of you, the 760F -- A
21 through F --

22 A. No, I do not.

23 Q. -- 761 rather. You don't?

24 A. No.

25 Q. If it's in your book, you can just reference them.

Armstrong - Cross (Het)

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1 A. I'm sorry, I don't have any 760 documents.

2 MR. HETZNECKER: May I approach the witness, Your
3 Honor?

4 THE COURT: Yes, indeed.

5 MR. HETZNECKER: Thank you.

6 BY MR. HETZNECKER:

7 Q. Agent Armstrong, you had testified earlier about a number
8 of tax returns for Thais Thompson?

9 A. Correct, yes.

10 Q. Can I ask you a few questions?

11 A. Sure.

12 Q. You indicated that generally the address that's given
13 isn't necessarily the address that the person resides at, is
14 that correct?

15 A. It's a mailing address. Many times it is, many times it
16 isn't.

17 Q. And often times, if an individual is using the same tax
18 preparer every year and they move, sometimes the tax preparer
19 will put the old address as a mistake on the tax return, is
20 that fair to say?

21 A. It's something -- in something in my experience it's
22 something they ask, especially if there's a refund coming
23 because that's where the refund will go, so.

24 Q. Well, it happens though?

25 A. Has a mistake ever been made? I'm sure.

Armstrong - Cross (Het)

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1 Q. With respect to the tax returns in 2000 and 2001 for
2 Thais Thompson, what's the address that's given on that tax
3 return?

4 MR. LLORET: Referring to Exhibit -- objection, Your
5 Honor. Which exhibit?

6 Q. I'm sorry, refer to Exhibit 760A and --

7 THE COURT: 761.

8 Q. -- correct, 761A and 761B. What is the address?

9 A. The address is the same on both returns, 400 Alloway
10 Aldine Road, Elmer, New Jersey, 08318.

11 Q. And with respect to 761D and 761E, what is the address
12 that is given on those two?

13 A. On both these documents the address is the same, and the
14 address is 5 North Burden Hill Road, Salem, New Jersey, 08079.

15 Q. And with respect to the incomes that were reported, each
16 of those incomes reported is accompanied by a W2 from an
17 employer, is that correct?

18 A. This one is, yes.

19 MR. LLORET: Referring to which exhibit?

20 Q. And this one meaning, referring to 761D?

21 A. Correct.

22 Q. And that income is what in the W2 reported?

23 A. The amount of the income is \$21,608.

24 Q. And that's what was reported on the return, is that
25 correct?

Armstrong - Cross (Het)

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1 A. That's correct.

2 Q. And is it fair to say that's also true with respect to
3 761E -- if I can just have a moment to look --

4 A. The income reported on the W2 is \$19,896, and that's what
5 appears on the return.

6 Q. And finally, it indicates on 761D, it indicates a child
7 care exemption for, what's the name?

8 A. The name is -- I believe it's Taleem, I'll spell it --
9 T-A-L-E-E-M, hopefully that was correct -- Thompson Morris.

10 Q. Thompson Morris?

11 A. Yes.

12 Q. Likewise, on 761E, exemption for, what's the name?

13 A. Yes, same name, Taleem A. Thompson.

14 Q. It says Thompson, not Morris, right?

15 A. That's correct.

16 Q. Okay. And with respect to 761A, which would be the 2000
17 return, is there a child care exemption, and what is the name?

18 A. There is an earned income credit taken which requires a
19 child, and the name is Taleem Thompson Morris.

20 Q. So on two of them at least it says Thompson Morris and on
21 one of them it says Thompson, is that correct?

22 A. Yes, the 2000 is the one, is the one Thompson Morris, and
23 -- I'm sorry --

24 Q. And 2004 is what?

25 A. Is Thompson.

Armstrong - Redirect

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1 Q. And the 2003 says?

2 A. Is Thompson Morris.

3 MR. HETZNECKER: I have no further questions. Thank
4 you.

5 THE COURT: Mr. Lloret.

6 MR. LLORET: Thank you, Your Honor.

7 REDIRECT EXAMINATION

8 BY MR. LLORET:

9 Q. Agent, you mentioned during Mr. McMahon's questioning
10 that there was a big difference in your view between the
11 Tauheed Baukman account and the Alton Coles account that's
12 depicted on 750D, Tauheed Baukman's account is depicted on the
13 chart that deals with those expenses. What is that big
14 difference?

15 A. The difference is in the Coles account, Alton Coles is
16 the actual account holder and his Social Security number and
17 his identifying information are on that account. The Tauheed
18 Baukman account, the person who has control of this account is
19 not Tauheed Baukman. It lists Tauheed Baukman's Social
20 Security number. It's false. It's a false account. It's --
21 I'm sorry.

22 Q. Okay. And what is it about an account in a different
23 name and Social Security number that makes it effective in
24 your experience as a device to hide assets or income?

25 A. Because that asset and that account activity does not

Armstrong - Redirect

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1 come back to that individual. It comes back to somebody else.

2 Q. All right. And Mr. McMahon mentioned that you can
3 subpoena that account, is that correct?

4 A. Well, yes, we can subpoena that account.

5 Q. In your experience, is there a difference in terms of the
6 effectiveness of the device sort of before the agent has gone
7 through all the investigation and after the agent has gone
8 through all his investigation?

9 A. Well, yes. After the investigation is completed, there's
10 -- it's much less useful, or the records are much less useful.

11 Q. Okay. And finally, just in terms of the process, just so
12 we understand. From an IRS standpoint in the totality of the
13 circumstance looking at zillions of bank accounts and so
14 forth, what is it about a different name and Social Security
15 number that makes it more or less difficult to determine
16 what's going on?

17 A. Well, the Social Security number is the unique
18 identifier. And that is what the Internal Revenue Service
19 uses in all of its records. If it's a Social Security number
20 of somebody else, then obviously the IRS doesn't know what
21 that individual that we're looking at is doing.

22 Q. Okay. And another question about the Tauheed Baukman
23 account. The cash that was going in, was that going in in
24 less than \$10,000 amounts or -- and we talked about 30,000,
25 40,000 and 60,000 and so forth, was that how it was going in

1 or how was it going in?

2 A. No, it's going in in lesser amounts.

3 Q. Were those amounts closely related to the amounts that
4 were going out on a week by week basis or were they sort of
5 lump sum deposits or can you give us an idea?

6 A. No, the deposits were spread out throughout the year.

7 Q. With respect to that type of deposit, is there a normal
8 CTR file for deposits of that nature that are spread out over
9 a year like that?

10 A. No, there is not. CTR is for a single deposit.

11 MR. LLORET: All right. Nothing further, Your
12 Honor, thank you.

13 MR. WARREN: Nothing further, Judge, thank you.

14 THE COURT: Do you have anything further?

15 MR. MC MAHON: Just on that last question.

16 RECROSS-EXAMINATION

17 BY MR. MC MAHON:

18 Q. Look at Government Exhibit 704A, that's what you're
19 referring to, these deposits under 10,000, do you have that in
20 front of you?

21 A. Yes.

22 Q. All right. And you said these were spread out over -- we
23 have the chart, it's one, two, three, four different -- five
24 different pages of those deposits, correct?

25 A. Yes.

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1 Q. Okay. And these amounts as you said, vary in the course
2 of the analysis of this account from as little as \$300, right,
3 \$100 on some occasions, correct? On page 2 there's one of a
4 hundred dollars on September the 2nd, 2003, correct?

5 A. Yes, that's correct.

6 Q. And what's the most deposit, the highest deposit on this
7 over a four-year period of time?

8 A. Are we speaking cash?

9 Q. Cash, yes, that's what Mr. Lloret was referring to.
10 What's the highest amount of cash over four years that is
11 deposited with these multiple, multiple deposits of cash?

12 (Pause)

13 A. Mr. McMahon, I believe it's four, 4,000.

14 Q. Four thousand. And that's not -- that's \$6,000 less than
15 the \$10,000 CTR requirement, is that right?

16 A. Yes, that's right.

17 Q. Now, is there any days on here where there are multiple
18 deposits of cash on a particular day that would accumulate up
19 to \$10,000?

20 A. I'll look.

21 MR. LLORET: Referring to the chart, 704A?

22 MR. MC MAHON: Yes, same chart.

23 (Pause)

24 A. No, there aren't.

25 Q. There's none, right?

1 A. Correct.

2 Q. Okay. And in fact, there are no two deposits in
3 consecutive order, that one after another that would even come
4 up, that is one day and then the next deposit a following day,
5 whether it be two, three days later, that even reaches that
6 \$10,000 criterion, does it?

7 A. Without looking at it, since the largest was four, you're
8 correct.

9 Q. Okay, thank you.

10 MR. LLORET: Thank you, Your Honor.

11 THE COURT: All right, you may step down.

12 THE WITNESS: Thank you, Your Honor.

13 (This concludes the requested excerpted portion
14 of proceeding at 12:16 p.m.)

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C E R T I F I C A T I O N

I, Sandra Carbonaro, court approved transcriber,
certify that the foregoing is a correct transcript from the
official electronic sound recording of the proceedings in the
above-entitled matter.

Sandra Carbonaro

SANDRA CARBONARO

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04/21/08

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